FOREIGN AFFAIRS

JANUARY/FEBRUARY 1994

Clinton's First Year

Harding or Truman?

Critiques by

PAUL WOLFOWITZ, PHILIP ZELIKOW, JOHN BOLTON

The Stakes in Russia

DIMITRI SIMES STEPHEN SESTANOVICH

Two Views on Worker Rights

Plus

What Kind of Trade Policy?

PETER F. DRUCKER

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FOREIGN AFFAIRS

JANUARY/FEBRUARY 1994
VOLUME 73, NUMBER 1

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A sense of confusion about defining the national interest is the most troubling aspect of Bill Clinton's first year as president. This is particularly true with regard to the use of force. The administration has squandered military prestige on issues of little importance in Somalia and Haiti. In Bosnia, it has failed to reconcile American interests with the dangers of military intervention. In his implementa-

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tion of policy, Clinton has been too wedded to two limited tools of diplomacy: multilateralism and peacekeeping. Neither is as important as is currently fashionable to think. In the future, the real threats to U.S. interests are "backlash states" like North Korea, Iraq and Iran and instability in Europe and East Asia. All require skill, determination and a president truly engaged in foreign policy.

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In the latest Russian transitions lurks the potential for autocratic presidential rule and neo-imperialist foreign policy. Neither would serve Western interests and may not come to pass. But it would now be prudent for the United States to practice a patient, detached policy clearly based on its interests and not on the personal propensities of Boris Yeltsin. Discernment is called for. Traditional great power assertiveness should not be mistaken for a revival of the Russian imperial legacy.

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The world economy is changing profoundly due to the enormous growth of services exports, the forging of new kinds of business alliances and the merging of transactions of different types. Effective policies will recognize the deficiencies of both managed trade and outright protectionism. Needed is a deliberate and active policy that gives the demands of the external economy priority over domestic policy demands and problems. Integration is the only basis for an international trade policy that can work and the only way rapidly to revive a domestic economy.

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The success of air power in the Persian Gulf War has led some to consider it a "revolution" in military technology, one that holds out the possibility of war meted out in fine increments and perhaps even bloodless battles. Air power *was* commanding in the war and innovative in its use of rapid electronic information. But that did not, and will not, alter the Clausewitzian "fog of war" or war's lethal, inevitable spread to noncombatants. War remains a cruel business.

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U.S. intelligence must widen its focus from bipolar, military issues to economic, diplomatic and political issues in numerous regions. The international community should ban economic espionage, but U.S. intelligence should monitor foreign spying and share information with U.S. companies. Close observation of democratic transitions and human rights abuses could also aid foreign policy. Greater strategic and battlefield intelligence must accompany the revolution in military technology. Most important, the intelligence community can assure the quality of its analysts by opening its doors to academia and business.

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The articles in Foreign Affairs *do not represent any consensus of beliefs. We do not expect that readers will sympathize with all the sentiments they find here, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* Foreign Affairs *can do more to inform American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. We do not accept responsibility for the views expressed in any article, signed or unsigned, that appears in these pages. What we do accept is the responsibility for giving them a chance to appear.*

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Editor's Note

Slow Start, Fast Finish for Clinton

In foreign policy, President Clinton completes his first year with a fast finish after a stumbling performance through most of 1993. The absence of a guiding strategy, of a clear sense of national interests, coupled with Clinton's inattention and unsureness added to the inherent difficulties of dealing with the crises in Bosnia, Somalia and Haiti. At best, the year was an awkward learning process. At worst, it was a time of sowing serious doubts about America's purpose, competence and will. This issue of *Foreign Affairs* has several assessments of Clinton's performance and policies and a companion article that recognizes the particular difficulties of policymaking in post-Cold War America. The passing of the Soviet threat and the resulting inward turn of the public make a national policy difficult to forge. The process is further complicated by the growing divergence of regional interests, increasing diversity of the nation's population and rising potency of single-issue groups.

Appropriately for Clinton, the most important of the year-end accomplishments were economic. Clinton's personal exertions, however belated, put NAFTA over the top. The trade liberalizing treaty, promising much in itself, also strengthened Clinton's hand for the APEC meeting of Pacific basin leaders. Although concrete results were modest, a quickened process by Asian standards was launched (leader summits at the next three APEC sessions, annual finance ministers' meetings, plans for a regional investment code). The back-to-back successes of NAFTA and the APEC summit made Europeans suddenly more conciliatory, and Clinton seized the opportunity to achieve breakthrough trade-offs in GATT's concluding Uruguay Round negotiations. Whatever the specific results of the latter deliberations, Clinton has recaptured for the United States the leadership role in expanding global trade and investment. Leadership will be needed. Following the exhaustive, seven-year Uruguay Round, there will be little appetite for another such broad-gauged effort. Such was also the case after the Kennedy and Tokyo rounds. But if too much time lapses between global negotiating rounds, protectionism reignites. After a year and a half's reprieve to sort things out at regional levels Clinton ought to push for another GATT-level round in 1995.

Clinton's Russian policy also benefited from a year-end dividend, but one which was less than expected. The December 12 Russian elections gave some constitutional legitimacy to the Yeltsin government, and may have produced a working majority of reform factions in the

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new federal parliament. In the wake of right-wing electoral success, the question remains more urgent of how closely wedded the United States should be to Yeltsin personally. A more detached posture, underscoring U.S. interests over personalities, is recommended by several authors in this issue of *Foreign Affairs*. Above all, the American interest remains in Russia as a potential security threat. Therefore, Washington's focus must be on Russia's ability to safeguard nuclear weapons, to fulfill arms reduction agreements and to foreswear imperial behavior abroad. On all of these issues there are fresh concerns.

In the Middle East, the Clinton administration finished the year with productive assistance to the difficult Israeli-PLO peace process. While avoiding ensnarement in the rancorous negotiations themselves, the administration coaxed Syria back to the bargaining table. It is as honest broker of a regional settlement that the United States is essential, and Warren Christopher, a much-maligned Secretary of State, is taking on a key role, one based on confidence he has forged with the contesting parties. Despite daily violence prompted by rejectionists on both sides, it is still reasonable to expect further progress in the new year.

Controlling proliferation of nuclear weapons is the most difficult and urgent issue confronting Clinton at the turn of the year. An obdurate North Korea is but the most extreme example of a post-Cold War phenomenon—the temptation of ambitious regional powers to go nuclear. Given the potential for havoc on the Korean peninsula and the difficulties of gaining Chinese support for sanctions, the administration wisely played a patient hand, offering inducements and reassurances through negotiations before turning to tougher measures to thwart North Korea's nascent nuclear program. Yet it is already clear that interest in acquiring nuclear weaponry is accelerating among regional states. As a realistic challenge, elimination of proliferation has been replaced by the control and countering of it. The State Department's diplomatic thrusts and the Pentagon's counter-proliferation programs are only now emerging. Much remains to be done in the new year, including a rigorous assessment of the risks and benefits of preemptive intervention.

In the new year, Bosnia should recede in prominence as that tragedy increasingly appears containable. Meanwhile, President Clinton, mindful of what got him elected, will attempt to concentrate on reforms in health, welfare and job-retraining, while also battling Congress on spending issues, a balanced budget proposal and, inevitably, the size of the defense budget. He hopes to delegate much of foreign policy to Vice President Gore, Secretary Christopher and State's new number two. However, the limits of delegation is one lesson that should be drawn from the first year's rocky experiences. There is no substitute for a president's leadership in urgent issues of foreign affairs and in the formulation of a credible, interest-based grand strategy.

James F. Hoge, Jr.
Editor

(Concurrent with moving to a bimonthly schedule, Foreign Affairs *has replaced its "America and the World" issue with a special volume, "Agenda '94," available separately.)*

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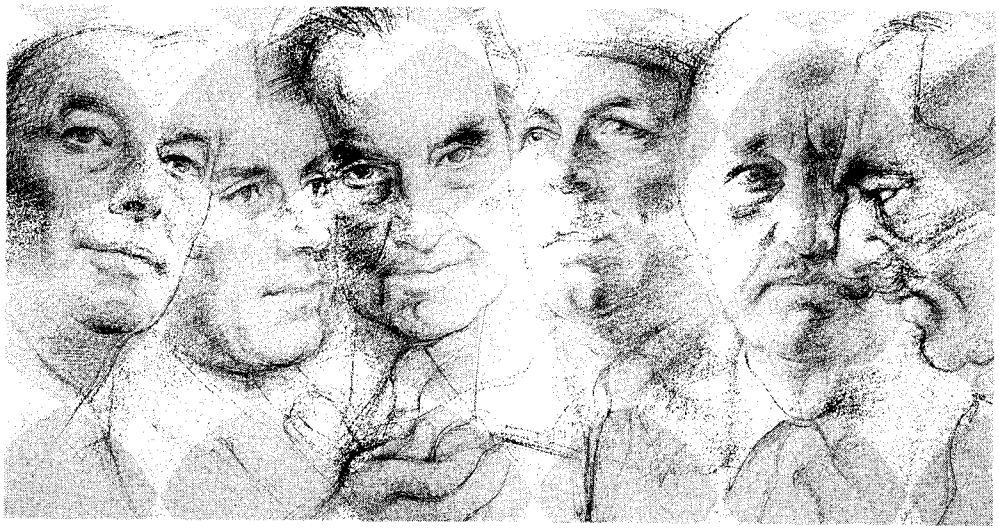

DRAWING BY BOB ZIERING

Lovett, McCloy, Harriman, Bohlen, Kennan, Acheson

"The American people are in the process of reclaiming foreign policy from the 'Wise Men'."

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Grass-Roots Policymaking

Say Good-Bye to the 'Wise Men'

Michael Clough

Many pundits blame President Clinton's inexperience or indecision for the current crisis in American foreign policy. But the roots of the dilemma lie far deeper. They run to the collapse of America's postwar policy making system—a collapse that not even the most sage and resolute leadership or the discovery of some new strategic formula could have averted. The problem, and the answer, is that the American people are in the process of reclaiming foreign policy from the "Wise Men" who have so assiduously guarded it for the past 50 years.

Over the last half-century America has undergone a technological and demographic transformation. Increased mobility has forged new centers of culture, fashion, wealth and power. A communications revolution has rewired the nation's nerve system with computers, faxes and fiber-optic cables. Immigration approaches levels not seen since the turn of the century, and Americans travel and live abroad in numbers scarcely imaginable years ago. Such changes integrate Americans in new ways, with each other as well as with the rest of the world. But they also diversify and divide us as they slowly erode the lingering vestiges of our Mayflower roots.

This globalization of American society has made the idea of national interest more elusive. While America's politics has always intruded on its foreign policy, today a fresh constellation of domestic forces creates its own global policy. Making sense of American foreign policy requires a fuller understanding of the new domestic politics that now shapes America's relations abroad. Foremost among these pressures are the regionalization of global policy making, the impact of ethnicity on American foreign policy and the rise of powerful global issue groups.

THE ESTABLISHMENT DECLINES

For nearly five decades the complexion and outlook of American foreign policy makers remained constant. In the view of the small, cohesive club of academics, diplomats, financiers, lawyers and politi-

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cians that ascended to power during World War II—men such as Dean Acheson, Clark Clifford, George Kennan, John McCloy and Paul Nitze—this was as it should be. National security and the national interest, they argued, must transcend the special interests and passions of the people who make up America. They believed that domestic politics should stop at the water's edge and that foreign policy should be guided by bipartisan consensus. This separation of policy into foreign and domestic spheres rationalized and legitimized the emergence of the close community of experts that shepherded American foreign policy throughout the Cold War years.

After 1941 the Northeast played a dominant role in shaping foreign policy. But this was not always the case. For most of our nation's history the influence of the more industrial and Anglophile Northeast was counterbalanced by other regions. In the controversy surrounding the French revolution, for example, opposition to the antirevolutionary views of Eastern opinion leaders such as John Adams, Alexander Hamilton and Gouverneur Morris came from Thomas Jefferson and the South's other agrarian populists. Likewise, in the great debates over war and neutrality in the first half of this century, opposition to Eastern internationalist calls issued mostly from isolationists and populists from the Midwest and West.

How was this small band of Atlantic-minded internationalists able to triumph? What enabled them in the postwar period to subdue the isolationist impulses of the hinterland and turn the nation of "no entangling alliances" into both the world's policeman and its banker?

For the most part, the answer is twofold: fear and prosperity. The dangers of the postwar world—the threat of Soviet expansion and the haunting memory of global depression—convinced the public that it was necessary for the United States to assume the mantle of world leadership, and the rapid growth and productivity of America's postwar economy convinced them that they could. It also helped that Eastern internationalists had gained great authority once it was clear that they were right about America's need to enter the Second World War. In contrast, many of the most prominent Midwestern opinion leaders on international affairs—such as Senators William Borah of Idaho and Gerald Nye of North Dakota—were discredited. By taking the lead both in mobilizing the nation for war and in preparing it for the peace that followed, the Eastern internationalists were able to shape and staff the burgeoning foreign policy institutions created in the late 1940s. Most important, this newly ascendant coterie fashioned the overarching consensus on containment and free trade that emerged as America's guiding international outlook.

The preeminence of the East was reinforced by other postwar developments. *The New York Times* and, to a lesser extent, *Time* magazine emerged as the leading national sources of news and commentary on international affairs. The original big three national television networks all chose New York as the site of their headquarters, and hence their evening news shows. A small number of well-endowed foundations and influential foreign policy institutes were also based in New York and Washington.

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And a handful of Eastern seaboard universities played a critical role in training and employing America's new foreign policy cadres.

Together, these developments meant that the most reliable, the fastest and often the only way to become a player in the national foreign policy debate was to locate oneself along the Harvard-Manhattan-Foggy Bottom corridor. This reality greatly contributed to the homogeneity of discourse on international issues that characterized the Cold War years.

As long as the Cold War endured and nuclear Armageddon seemed only a missile away, the public was willing to tolerate such an undemocratic foreign policy making system. But in the eyes of most Americans the world is no longer so menacing—messy, bloody and sometimes shockingly brutal, yes, but a threat to our security and peace, no. With the Soviet Union residing in the dustbin of history and the United States reigning as the world's largest debtor, the twin logic of national security and the national interest is neither clear nor compelling. Without a clear and present danger, the public is no longer willing to trust the experts to make the right decisions when it comes to the lives of their sons and daughters, especially when the experts themselves are so deeply divided.

The result is that the wall separating foreign affairs from domestic influences has come crumbling down. The old foreign policy establishment, already weakened and divided by its defeat in Vietnam, is losing both its bearings and its sway. And the old foreign policy making system, no longer insulated by fear and prosperity, is more susceptible than ever to societal pressures. As the muddled debate over intervention in Bosnia and Somalia attests, this rupture has left the ship of state dangerously adrift in a sea of geopolitical confusion. The idea of a separation between domestic and foreign affairs has become untenable.

GLOBAL POLICY IS LOCAL

The globalization of American society has greatly increased the incentives for individuals in all parts of the country as well as local, state and regional institutions to become more involved in world affairs. As the world becomes increasingly interconnected, developments abroad matter more for local communities. War in Central America causes greater burdens on southern California's social services; drug feuds in Columbia lead to assassinations in New York; unrest in Russia affects port traffic in Seattle; and economic development in Mexico throws Americans out of work in Detroit.

At the same time, opportunities for local, state and regional actors to influence global policy have also grown. Many state and local institutions are establishing direct links with counterparts around the world through technical assistance and exchange programs. Foundations and entrepreneurs are creating new regionally based foreign policy communities to provide the kind of leadership in world affairs that the Eastern establishment once monopolized. Almost every major university in the country now has some kind of international affairs degree program. The news media are also more diverse; CNN is based in Atlanta, and plans for new cable channels are

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being hatched across the country.

The East's privileged place in foreign affairs has eroded. New York no longer dominates the nation's economic relationships with the rest of the world, and the share of trade that flows through Eastern seaboard ports has shrunk dramatically. From southern California to the Great Lakes, and from the Pacific Northwest to the Texas border and southern Florida, regions are developing their own economic interests and orientations, and creating the trade offices and other institutions necessary to pursue them. In short, regionalization has not only lessened Eastern influence over the foreign policy making process but also helped spawn a new process of global policy making with sources of power far beyond the Washington beltway.

NEW VOICES, NEW ACCENTS

As America becomes more diverse, the economic, social and political incentives for individuals to emphasize their ethnic identities are increasing. In the 1980s, for example, African-Americans, motivated in part by the model of Jewish-American support for Israel, largely succeeded in laying claim to U.S. policy toward Africa, especially toward South Africa. More recently, Mexican-American groups have begun to play a critical part in the NAFTA debate and in the formulation of U.S. policy toward Mexico generally. Similarly, a growing Chinese-American community has played an increasingly significant role in policy toward China, and the American cousins of embattled East European nationalities have begun to mobilize as well.

This trend is reinforced by the economic advantages that can accrue to ethnic groups who serve as a bridgehead for potentially prosperous countries such as China and Mexico. More and more foreign countries are beginning to see their ethnic brethren in the United States as natural allies in campaigns to develop more favorable bilateral relationships. This web of societal ties linking American ethnic communities with their homelands is certain to thicken as the information revolution increases the ease and affordability of reaching out and touching previously distant kith and kin.

Concentration of ethnic groups in particular geographic areas heightens the impact of the regionalization of foreign affairs. For example, Asian-Americans constitute roughly three percent of the U.S. population but nearly 10 percent of the population of southern California and 15 percent of the San Francisco Bay area. Similarly, Hispanics account for roughly nine percent of the national population, but they comprise one-third of southern Californians, one-third of south Floridians and one-quarter of Texans. The more localized foreign policy becomes, the more likely that ethnic ties will influence the debate, especially as more blacks, Hispanics and Asians are elected to local and state political offices.

The results are likely to vary. In some foreign policy areas, such as Africa, ethnic and racial considerations are likely to play a dominant role as long as high costs or risks are not involved. In most other areas, they will be increasingly important factors in a complex and changing equation, one in which ethnic organizations may not only attempt to influence U.S. foreign policy but also to develop their

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own global policies. If the United States today had a set of broadly recognized "national" interests and a clear global strategy, the impact of ethnicity on foreign policy would be less significant. At present, however, there is little prospect of either anytime soon.

THE GRASS ROOTS GROW

The final factor contributing to the breakdown of the old foreign policy consensus is the emergence of powerful, activist groups organized around individual issues such as human rights, the environment, humanitarian relief and women's rights. These global issue groups differ from traditional national interest groups in that their principal goal is to change policies and living conditions beyond our borders rather than to promote and protect the economic interests or welfare of their American members. In most other respects, including origins, scope, size, resources, effectiveness and commitment, they vary widely.

Once again, this phenomenon is not entirely new. For example, the International Committee of the Red Cross, the peace movement and the international women's movement date back to the turn of the century. Beyond the peace movement, however, the number and influence of foreign policy issue groups in America had been limited. The turning point occurred in the 1970s with the creation in Washington of a number of well-staffed offices focused on particular issues. Today, these groups are increasingly attracting the best and brightest of the young college graduates interested in world affairs.

During the Cold War, most of these issue groups were, by necessity, oppositional. Since there was little chance that the foreign policy establishment would give their objectives equal weight with the need to contain communism, they focused on exposing the effects of Washington's policies and, wherever possible, limiting governmental prerogatives. But government has begun to embrace many of the goals these groups have long sought to promote, thus presenting their leaders with a dramatically different set of strategic choices.

Their most important new challenge is to find ways to merge myriad single-issue pressures into a coherent whole and to do so in an environment of shrinking resources. The trade-offs involved no longer pit geopolitics against human rights or development. Instead, they pit environment vs. development vs. humanitarian relief vs. democratization vs. economic reform, etc. Many participants in this emerging debate have sought to mute these conflicts by embracing concepts, such as sustainable development, that suggest that everything good can go together—and it may, but only in the long run. But for now, easy compromises and easy money are scarce. Moreover, it is very difficult, both intellectually and politically, for single-issue groups to adjust their rhetoric in the ways necessary for a grand synthesis to emerge. One of the greatest strengths of the leadership of these groups has been their ability to persuade both funders and constituents that their particular issue deserves priority. Softening such claims could mean losing support.

The issue-group picture is also growing more complex. At first it was domi-

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nated by a few national organizations such as Amnesty International and Human Rights Watch. In the 1980s, however, grass-roots organizations sprang up across the country. Today, groups of varying size and character literally number in the hundreds. In addition, more and more groups are de-emphasizing foreign policy advocacy and concentrating on their own global policy initiatives. This shift is most evident in areas such as South Africa, Eastern Europe and the former Soviet Union, where the reasons to lobby Washington are rapidly declining and the opportunities for direct action abroad are rapidly increasing. The result is a whole new set of cleavages and complications.

SYNTHESIS OR STRUGGLE?

The breakdown of the old foreign policy system extends beyond the security realm to economics. Protectionism is nothing new. What is new is that environmentalists, human rights activists, labor and regional political leaders seem to be merging in a popular coalition that rejects free trade as the organizing principle of the global economy. This development is amply demonstrated by the stalled Uruguay round of the General Agreement on Tariffs and Trade, as well as the long NAFTA debate. When the economy was growing and good jobs at rising wages were plentiful, such criticism fell on deaf ears. But what is true in good times is often false in bad, and for many Americans the good times seem over.

A new and highly uncertain era has begun. It is possible that the heirs of the Wise Men will succeed in diversifying the foreign policy establishment and in enlisting these new forces under the banner of a new grand strategy such as "enlargement." But that is unlikely. The latest generation of Wise Men does not have enough public authority or institutional clout to forge a new consensus from the top down without a threat as clear and compelling as the Red menace. Nor are its leaders sufficiently nimble or creative to put out the prairie fire of independent global policy making that is raging across the country.

These new domestic forces could well lead to the balkanization of the foreign policy making process, with different communities and groups seeking to control different issues and policies. At best, such a development would create a system of separate policy making domains organized around an implicit set of rules for resource allocation and conflict resolution between them. More likely, balkanization would cause a bitter and prolonged domestic struggle over America's role in the world, undermining its ability to lead in the era now dawning.

Only a radically redesigned foreign policy making system, one fashioned to meet the global challenges of the 21st century in the same way that the national security apparatus was created to face the Cold War, would make a synthesis of these competing interests possible. Only an open, decentralized and collaborative system, which encouraged the initiatives of regional actors, ethnic groups and global issue groups, would restore public confidence that Americans' involvement in world affairs is still consistent with their own values and would improve the security and welfare of all.

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Time for a Global New Deal

Terry Collingsworth, J. William Goold, Pharis J. Harvey

The clash between capitalism and communism is over, and the winners have set about making the world a safe and efficient place for business. The reality is plain enough. Nike is making its famously expensive athletic shoes in Indonesia, where its women workers labor long hours for a meager $38 a month. Wal-Mart, K-Mart and Sears, the great American retail icons, are having their shirts made in Bangladesh by culturally passive Islamic women toiling 60 hours a week and making less than $30 a month. The companies sell the shirts in the United States at U.S. prices. The labor cost per shirt is roughly four cents. They assert the need to lower costs in order to remain competitive, but their main competitors are all there in Bangladesh as well, enjoying the same windfall of cheap labor.

At the same time, the major industrialized economies are experiencing an alarming, lingering recession. Trade unions in the United States and Europe protest massive job cuts and the lowering of living standards. Japanese workers face the end of the one certainty that motivated their untiring devotion to sacrifice for the national interest—the lifetime employment system. It is no longer in Sony's or NEC's interest to employ expensive Japanese workers when Thai and Malaysian workers will do the same job for much less. The lengthy debate over the North American Free Trade Agreement (NAFTA) exposed similar stories of U.S. companies shifting production to Mexico, making use of highly productive workers kept cheap by the labor policies of a government more interested in keeping investors happy than in ensuring a decent wage for its citizens.

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These examples illustrate how a global economy has allowed multinational companies to escape developed countries' hard-won labor standards. Today these companies choose between workers in developing countries that compete against each other to depress wages to attract foreign investment. The free trade philosophy for creating a prosperous global economy is in practice denying workers their share of the fruits of wealth creation. First World components are assembled by Third World workers who often have no choice but to work under any conditions offered them. Multinational companies have turned back the clock, transferring production to countries with labor conditions that resemble those in the early period of America's own industrialization.

'TRICKLE DOWN' TRADE

The U.S. lacks a responsible or comprehensive global trade policy and has effectively delegated the policymaking to multinational companies, which have fiercely resisted any efforts to regulate worker rights globally. They successfully blunted attempts to include meaningful labor standards in NAFTA and prevented the inclusion of any "social clause" in the General Agreement on Tariffs and Trade (GATT) and the European Community Charter. Their resistance is easy to understand. What is more difficult to comprehend is the lack of real political debate over the long-run implications of America's current trade policies, which seem to assume that the global trading system will somehow on its own create expanding markets and advance larger U.S. interests. The defining principle of U.S. trade policy today echoes that famous General Motors maxim: what's good for U.S.–based multinationals is good for America.

The debate in the United States over "free trade" has ignored the need for trade to be fair to workers' interests. For all of candidate Bill Clinton's criticism of President Bush's plans for a NAFTA without worker protection, he ultimately championed a treaty with largely symbolic side agreements on labor and the environment. "Protectionist" epitaphs are hurled at any American union that decries how its members are losing jobs as U.S. companies search for cheap labor around the globe. No one is fooled that the unions are doing much more than protecting their interests, and their position is derided for that reason. At the same time, however, the free-trade position of the multinationals is passed off as representing not merely their own interests but America's as well. Their many trade lawyers and economists are earning substantial fees peddling a global version of free-trade, "trickle down" economics.

A more accurate description of the position of the multinational corporations is that regulation is good only if it protects their interests and bad if it eats into their profits. If they truly believe in lifting global regulation to leave trade free, they have been moving in exactly the opposite direction. The Dunkel draft of GATT is encyclopedic and the final version of NAFTA exceeded 2,000 pages. There was never any pretense that these agreements were intended to remove regulations. They were efforts to remove tariffs and to agree on a comprehensive set of regulations governing global trade that are designed primarily to protect property rights. In these negotiations, the business

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community fought for and won a complex series of regulations that protected their property interests and set the rules for the global economy. That there was not a word about the fundamental rights of workers in the thousands of pages of rules reflects the priorities of those doing the negotiating, rather than any principled opposition to trade regulation.

The usual response to such criticism is that global trade law is not an appropriate forum for social legislation. For example, the current debate over the pending Harkin-Brown bill, which would ban from U.S. markets any product made with child labor, has brought forth assurances from the free-traders that, while they naturally abhor the use of child labor, it violates the purity of trade law to link it with social legislation. Trade is trade, business is business, and social legislation must stand on its own. Never mind that it is precisely the indigent conditions of developing countries in a global economy that allows many multinational companies to escape U.S. labor laws and to reduce the costs of an integral part of production.

The position of the multinationals fundamentally ignores the recent history of linking social legislation to the trading system—to great social and economic benefit. There are numerous examples, but the most compelling comparison is with the New Deal legislation. As President Roosevelt declared in a message to Congress on the 1937 Fair Labor Standards Act, the first nationally applicable law setting minimum labor standards and outlawing child labor: "Goods produced under conditions which do not meet a rudimentary standard of decency should be regarded as contraband and ought not to be allowed to pollute the channels of interstate commerce."

Roosevelt was making the moral argument, which back then seemed sufficient, but the practical key to his vision comes in the final clause. The only recourse available to combat the growing problem of states engaging in cutthroat competition, leaving their citizens and workers without adequate living standards, was to use the power of Congress to regulate interstate commerce. The premise was that when one state was willing to undercut other states, not only did this affect other states' ability to maintain higher standards, but it also resulted in a downward bidding spiral that depressed purchasing power. National legislation was required to set a floor below which no state could descend in competing for jobs and investment. The federal labor laws enacted under the New Deal not only improved wages and working conditions but also increased purchasing power and contributed to the postwar economic boom. Workers became consumers and fueled the engine of unparalleled economic growth, saving the large manufacturing firms from ruination largely of their own creation.

NEW WORLD CONSUMERS

Setting aside the morality of multinational companies using impoverished workers who are unable within their political systems to fight for better conditions, it also makes no economic sense to continue to treat labor standards as irrelevant to trade policy. When they reduce their expensive U.S., European or Japanese work forces, the multinationals displace workers who until recent years were

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THE METROPOLITAN MUSEUM OF ART, BEQUEST OF EDWIN DE T. BECHTEL, BY EXCHANGE, 1970

Is the clock being turned back?

dynamic consumers with steadily rising purchasing power. Their replacement workers in Bangladesh, Indonesia and Mexico are often earning subsistence wages. While this new class of worker would also like to buy televisions and VCRs, their primary needs are food and shelter. The effect is to diminish one consumer class without building up an equivalent class. In Keynesian terms, supply is exceeding demand, which inevitably leads to surplus, recession and more. The global economy suffers not from a shortage of productive capacity but from a lack of broad-based consumer purchasing power, especially in developing countries.

Compounding this problem is the fact that the global economy has helped dissipate individual governments' efforts to use fiscal and monetary tools to achieve economic growth. National measures to increase aggregate demand often merely increase consumption, while the investment, production and employment benefits occur in other countries. These international "leakages" substantially weaken domestic economic policies. Stimulus in one country, if other economies remain stagnant, simply increases imports and immigration into the expanding economy.

In the future, achieving real economic growth in the United States will require policies to attain coordinated growth in the global economy. The key to promot-

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ing global growth is to create expanding broad-based consumer demand in developing countries. For this to happen, however, new international trade and investment policies must make it possible for agricultural and industrial workers to receive a rising share of the benefits of increased productivity and economic expansion.

It is thus in the interest of all countries to cooperate to reduce the obstacles to real growth in developing countries. Part of this strategy must be global agreement on binding trade and investment rules to protect fundamental worker rights and minimum international labor standards. This idea is not a new or radical policy departure. GATT's 1947 preamble contains an important message that subsequent generations of free traders have forgotten: "Relations among countries in the field of trade and economic endeavor should be conducted with a view to raising standards of living and ensuring full employment." What has been lacking in recent decades is the collective political will to make the protection of basic worker rights an essential part of the regulatory system that encourages global economic growth. The time has come to recognize internationally what the Great Depression forced America to realize nationally: actively advancing worker living standards is critical to boosting their overall purchasing power and to achieving sustainable real growth. This is true for developed and developing countries alike.

TOWARD GLOBAL STANDARDS

Today policies are needed to begin a global New Deal. Progress toward globally applicable worker rights and labor standards should be the cornerstone of a forward-looking trade policy that does more than maximize short-run profits. It should provide the basis for first creating and then sustaining a global consumer class, encourage true efficiencies in production and stop the destructive downward bidding spiral of the labor conditions and wages of workers throughout the world. If uniformly enforced, no single company or country could gain a competitive advantage and be rewarded in the global market for engaging in exploitive labor practices, removing the argument that such practices are necessary for companies to remain competitive.

Using existing models from other forms of globally applicable legislation, beginning in the mid-1980s Congress passed a series of laws that directly linked unilateral trade benefits with respect for worker rights. Five laws were ultimately enacted requiring compliance with "internationally recognized worker rights." The most effective has been the Generalized System of Preferences Act (GSP), which grants developing countries duty-free status on many exports to the United States conditioned on compliance with a five-factor worker rights standard. Using standards developed by the International Labour Organisation (ILO), based on conventions agreed to by most of the world's countries, the GSP standard was designed to have universal application. Most of the rights are absolute, meaning that they are not dependent upon a country's relative economic condition. Thus, to be eligible, all countries must respect the rights to associate and bargain collectively, the two most important worker rights that allow

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independent trade unions to form and to negotiate for whatever share of the economic pie is available. In addition, countries cannot use forced or compulsory labor or child labor and must provide reasonable conditions for worker health and safety. A final requirement is that there must be a national mechanism for establishing a generally applicable minimum wage law, which necessarily should take into account a country's level of economic development. There are several possible formulas for evaluating whether the minimum wage level is adequate, including tying wage increases to productivity gains.

The GSP law has created a forum for challenging systemic violations of worker rights as a means for any country to seek competitive advantage in international trade. It allows interested parties to petition the U.S. Trade Representative to deny countries that violate worker rights duty-free access to the U.S. market. But the law contains unacceptably vague language that has allowed successive presidents to undermine its enforcement. The GSP law must be reauthorized by September 1994. An important step toward a more enlightened global trade policy would be for the Clinton administration to strengthen the worker rights provisions of the GSP law and to extend this linkage to other U.S. trade laws and the GATT.

There is much more that the United States could do if it takes the lead in adding respect for workers to the agenda of global trade policy. The opportunity to use NAFTA to create a regional model for enforceable labor standards was largely missed. Ultimately, however, a global solution is required. While the ILO is currently the only international body responsible for globally monitoring worker rights, it has no enforcement power. Further, its tripartite charter between employers, governments and worker groups substantially reduces its ability directly to confront governments and employers.

In order properly to link worker rights with global trade, organizations dedicated to protecting worker rights need to have a voice in GATT, where global trading rules are made and enforced. GATT needs a substantive social clause that, much like the GSP standard, would either be directly enforceable or allow individual countries to take retaliatory action against noncomplying countries. Previous efforts to include such a clause have not made it to a working-group phase for discussion. The issue of a social clause has simply not been viewed as a priority by GATT's business-minded negotiators, including those from the United States.

Trade is not an end in itself. It is time to give life to the GATT preamble and harness trade for the purpose that free-traders claim—to strengthen the world economy by enhancing the purchasing power of workers and allowing them to have access to the goods they make. There is no need to wait for trade's benefits to "trickle down" to workers living in poverty if minimum standards can help ensure them reasonable living conditions. The United States should use its influence in the world market to make acceptance of a GATT social clause a top priority, for the good of its own workers, for workers in other countries, and as the basis for sustainable and fairly distributed global economic growth.

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'Social Correctness' Is the New Protectionism

Benn Steil

While American social trends generally wend their way across the Atlantic, the infamous doctrine of "political correctness" failed miserably in penetrating European common sense barriers. Europeans, however, appear to have found a small but promising market in Washington for a heartier, common sense-resistant Brussels variant: "social correctness."

European politicians and Brussels bureaucrats form the core of an increasingly vocal vanguard of the socially correct. Their principal tenet is that it is no longer acceptable to carry on liberal trade relations with any country failing to provide its workers with "adequate social protection." Such countries are said to be engaged in the practice of "social dumping," as their lower labor costs enable them to undercut countries in economic competition that do provide proper social protection.

While stated as a matter of high principle, this doctrine actually represents little more than an attempt to justify protectionism under the guise of concern for worker rights. Social dumping exists in the eye of the higher-cost beholder: the charge is leveled exclusively at countries that succeed in attracting jobs and investment on the basis of having an advantage in unit labor costs. In order to raise their competitors' production costs, the socially correct seek to impose their system of labor relations, workplace regulations, employment and remuneration laws, and social security provisions, all the while maintaining that they do so in the interest of universal workers' rights.

BEGGAR THY COMPETITOR

The attempt to export social policy to neutralize a competitor's advantage is not new. In 1890 Kaiser Wilhelm II, intent on maintaining Germany's competitive position while addressing domestic

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demands for working-time restrictions, proposed an international agreement on a maximum eight-hour workday. While Britain had at that time rejected the idea of putting its industrial laws "at the discretion of a foreign power," one hundred years later, its industrial sovereignty sufficiently eroded, it is forced to abide by working-time directives from Brussels.

The French tried the same ruse in the negotiations leading to the signing of the Treaty of Rome. In a memorandum to its partners in May 1956, France cynically insisted that social legislation be harmonized "in conjunction with the reduction of tariff protection" in order to "make more apparent to the workers that link that must exist between the common market's establishment and higher standards of living." In the end, the only significant piece of social protectionism that the French were able to incorporate was the infamous Common Agricultural Policy, which according to Article 39b must "ensure a fair standard of living for the agricultural community." If the CAP provides any indication of what harmonized social regulation will mean for Europe and its trading partners, there is real cause for concern. The CAP devours up to 80 percent of annual EC budgets, and costs the average European family of four over $1,700 a year.

What finally brought social policy center stage, however, was the launching of the single-market initiative in 1986. While Joseph Stalin may have believed in the possibility of creating "socialism in one country," Jacques Delors apparently knows better. The president of the European Commission was under no illusion that socialism could survive in Europe when pitted against the forces of international capitalism, unless its states could be bound together in a grand social-protectionist pact.

The first step was achieved at a meeting of the European Council on December 9, 1989, in Strasbourg, when all European Community member states—save Britain—agreed to adopt Delors' brainchild: the Community Charter of the Fundamental Rights of Workers. Otherwise known as the "Social Charter," this document lays the groundwork for the most sweeping international experiment in social engineering ever undertaken by democratically elected governments.

THE BATTLE OF BRITAIN

Social regulation had been a priority for Delors, who was determined to reverse the free-market tilt that the Community had taken in its drive for a single market. Despite the fact that the EC's Council of Ministers had struck Delors' requirement for a "Social Action Program" from the charter's earlier draft, the president launched a 47-measure implementation program two weeks before the charter was even signed. Delors' initiative enjoyed the fervent support of the European Parliament, an institution whose members are naturally drawn from the minority of Europeans hankering after legislated integration and power transfers from national governments. It was not, however, endorsed by either the Economic and Social Committee or the European employers' confederation.

The 1986 Single European Act allows the Council of Ministers to approve social-policy directives by a qualified majority, rather than unanimity, only

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where "the health and safety of workers" is explicitly concerned. This means that the Social Charter by itself was impotent, since the directives required to implement it would almost always need unanimous consent. Implementation, therefore, first required securing victory in the "Battle of Britain." Two strategies were open to the commission.

The first was to amend the treaty so as to extend qualified majority voting to other areas of social policy. In the 1991 Maastricht Treaty negotiations, Britain had triumphantly secured an "opt-out" on Social Charter provisions to be implemented by qualified majority, rendering this strategy, de jure, a failure. Soon thereafter, however, Britain found itself accused of "social dumping," as Hoover corporation shifted production from Burgundy to Scotland. An angry Delors, determined to make clear that the single market was not to be taken literally, promised in the first instance to drive through a directive requiring multi-state firms to establish elected "works councils," which would have to be "consulted" on all relocation plans and indeed on "any proposal creating serious consequences for workers' interests." Britain can veto the directive, but what the other 11 EC members agree to will still be binding on over 300 British continental operations, which have no traditions of or desire for German-style works councils. The British opt-out may yet prove a Pyrrhic victory.

The second strategy was to evade the treaty restrictions through the "health and safety" loophole. The initial attack was launched with a working-time directive, which the commission brazenly reclassified from a "working conditions" measure to "health and safety." This directive, establishing a maximum 48-hour work week and a minimum annual four-week paid vacation, would have its greatest impact in Britain. The measure, no longer requiring unanimity, was endorsed on June 30, 1993, by a vote of 11-0 in the council, with Britain abstaining. The ramparts had fallen, and Brussels was triumphant.

FROM THE SUBLIME TO THE ABSURD

The extent of the social engineering being orchestrated by the commission makes plain the absurdity of modern Eurospeak. "Subsidiarity" is meaningless when commission social policy aims at micromanaging areas of working life that even the north European welfare superstates have never touched. Its framework directive on workplace health and safety, for example, legally obliges employers to alleviate monotonous work, adapt to technical progress, account for social relationships in the design of a "coherent overall prevention policy," and to give "collective protective measures priority over individual . . . measures."

What cannot be implemented directly through regulations and directives, the commission intends to achieve through the establishment of a Eurosystem of collective bargaining. Despite the fact that unions represent a small and declining minority of the European work force, the commission fervently maintains the myth that its interests are represented through the European Trade Union Confederation (ETUC), for which the commission provides considerable support and assistance. In order to co-opt the national trade unions in its efforts to centralize power in Brussels, the

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commission holds out the promise of imposing 1970s-style socialist corporatism over the heads of the elected national governments. The British trade unions, traditionally bitter opponents of the Community, have thus emerged as the most stunning converts to Eurofederalism. Having bankrolled the British Labor Party through four straight election defeats since 1979, they have finally accepted that it is far easier, and cheaper, to get what they want through unelected and unaccountable socialist Eurocrats in Brussels than through the British electorate, which obviously seems to know better.

In critical areas, such as wage determination, the Social Action Program ostensibly renounces the use of Community legislative intervention. The commission has nonetheless stated that it has "a responsibility to assert its views" on the definition of an "equitable wage" by delivering an "opinion." And former ETUC chief Peter Coldrick has insisted that an opinion is only acceptable "as a step." Former Social Affairs Commissioner Vasso Papandreou has duly added that while workers could not yet appeal to the European Court for a "decent wage," the commission intended to push for securing the legal means for them to do so. The court, having already decreed that the Community law guaranteeing "equal pay for equal work" actually means "equal pay for work of equal value," should have no trouble brushing off legal niceties regarding the establishment of an equitable Eurowage.

TRADING INTERESTS

The Social Action Program could never have gotten off the ground had it not been consistent with the purely protectionist impulses of the northern continent. The rich northerners feared losing jobs and investment to the poorer Club Med states unless northern labor and social costs could be imposed on them. But why then should only Britain insist that the commissioner has no clothes? The answer lies in the big picture, which includes Structural and Cohesion Fund transfers doled out by Brussels to the EC's poorest member states—Ireland, Spain, Portugal and Greece—ostensibly to ease their integration with a single market. Ireland, for example, has over 18 percent unemployment but receives transfers amounting to seven percent of GDP. The main aim of aid recipients is simply to keep the tracks clear for the gravy train from Brussels. The poor four will do nothing to alienate the federalist vanguard so long as social protection directives are matched by an ever-rising tide of cohesion funds. As for the rich north, it is happy to ignore even gross violations of social rights, so long as they do not lead to job and investment transfers. No one, for example, has cried "social dumping" against Portugal, where child labor is endemic, simply because Portuguese children as yet pose no direct threat to northern jobs.

But Britain is not alone in rejecting the insidious charge of social dumping in a community of democracies, where voters are free to elect governments that will provide them with any level of social protection they are willing to pay for. The Spanish government, for example, has routinely maintained that lower labor costs simply reflect lower productivity—a position echoed even in a

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recent commission report. Spanish votes, however, go to the highest bidder. France is known to have pledged support for Spanish claims on greater cohesion funds in return for Spanish support in blocking the EC-U.S. Blair House Accord on limiting agricultural subsidies.

The need to reconcile blatant social protectionism with the removal of trade and investment barriers has led the commission to some preposterous contortions of economic logic in order to justify its directives. Its draft directive on "atypical" workers mandates that part-time and temporary workers receive social protection identical to that afforded full-time workers, and vacation time, dismissal payments and seniority allowances on exactly the same basis, in proportion to hours worked. It furthermore forbids replacing an existing job with temporary work. Employment and pay measures require unanimous council approval. But since ensuring the rights of "atypical" workers will increase labor costs, the commission has concluded that harmonization is essential to prevent "distortions of competition." Thus the measure will be decided by qualified majority voting, which is reserved for laws "essential for the completion of the Single Market."

CIRCLING THE WAGONS

The European Commission, as well as the Organization for Economic Cooperation and Development (OECD), expects the EC jobless rate to reach 12 percent by the end of 1994. Nearly half the EC's jobless have been out of work for over a year, compared to just over six percent in the United States. Since 1974, the EC has created 3.1 million new private sector jobs, compared with 29.8 million in North America.

During the 1980s, EC unit labor costs rose an average of four percent a year, compared to one percent in the United States. The accumulated economic effects of steadily declining European competitiveness are now too high for businesses to ignore. Papandreou in 1989 ridiculed the notion that rising labor costs could undermine EC industrial competitiveness, declaring Germany, with the world's highest priced labor, to be the world's most competitive economy. An implicit causal mechanism was being posited—that higher labor costs led to higher productivity. This bizarre view underlay the Eurosocialist fantasy that German wages and working conditions could simply be imposed around the Community, with productivity growth somehow magically following in train. The idea has been shown to be all the more absurd given that Germany itself can no longer bear the cost. With German manufacturing wage costs now 60 percent higher than those in the United States, BMW and Mercedes-Benz are shifting production across the Atlantic. Meanwhile, German unemployment growth is accelerating.

Yet the Community is not for turning. The barbarians are at the gate, and President Delors bravely leads the socialist call to arms. He demands "a new social pact," warning that "the whole of society is threatened—its values, its traditions and its future." Exactly who or what is so maliciously threatening European society? Foreigners, of course. More specifically, those socially incorrect foreigners with lower unit labor costs. The

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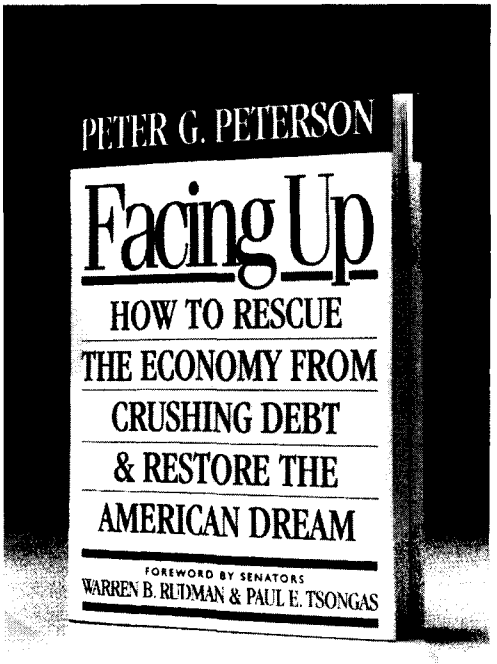
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marauders include not only Americans and Japanese, but the vast new enemy camps forming all around Latin America and Southeast Asia. French Prime Minister Edouard Balladur demands that Europe (read France) be protected from foreign traders with "different values." French President François Mitterrand calls for trade sanctions against nations with inadequate social protection. As for Delors, it has hardly been lost on him that the collapse of communism has led to the dreaded domino effect, as nations from Mexico to Malaysia fall firmly into the free-market camp. No longer content with surviving on their own brand of "social cohesion" transfers from international aid organizations, they now seek to prosper by selling their goods and services. As this presents an intolerable threat to Eurosocialism, Delors now demands a "global social contract," which he hopes will put a stop to this creeping prosperity.

If the insidious lunacy of European social correctness seems transparent enough, beware the growing amen corner in Washington. Faced with the prospect of a North American Free Trade Agreement, congresspersons and special interests suddenly became desperately concerned with the "social rights" of Mexican workers. AFL-CIO chief Lane Kirkland offered to champion their cause by burying the accord in favor of a transatlantic link that would extend the EC Social Charter's protectionist umbrella to America's shores. If and when Mexico were allowed to join the club, Mexicans would then enjoy the full benefits of being priced out of employment. Even Mexican President Carlos Salinas de Gortari, who had rightly insisted that he would not accept any protectionist side deals tied to NAFTA, found himself helpless in the face of America's newfound compassion for the Mexican worker.

CLOSING MINDS AND MARKETS

While there is no need to recount the benefits of free trade, it is worthwhile dispatching a few entrenched myths about developing-country competition. The demand for unskilled labor in developed countries has steadily declined for more than 20 years. Low-wage competition from developing countries accounts for only a small fraction of this decline; technological innovation in developed countries has been the primary cause. Developed countries can close their borders to trade with the developing world, going back to their old reliance on World Bank handouts and preaching the free-market gospel to the natives, but this will only serve to exacerbate their own unemployment problems. The fastest-growing export markets for the high-wage countries are the low-wage countries. And they are *large* markets: over 40 percent of U.S. and EC exports now go to non-OECD countries. Rather than choking off their burgeoning export markets to protect the last of their sweatshops, Europe and America would be far wiser to focus on providing their citizens with the incentives and means to acquire the skills needed by developed economies.

As international trade and investment continue to grow, a fundamental dilemma that societies face in delineating the rights and obligations of individuals and institutions will remain unchanged. The requirements of efficiency and equity will

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invariably conflict, and nations must remain free to strike that balance in accordance with their own values and resources. When Gallup asked whether freedom or equality were more important, Americans and Britons voted over three to one in favor of freedom, while Germans and Italians chose equality by a small margin. When asked whether it were the government's responsibility to reduce income differences, 81 percent of Italians agreed that it was, compared with 63 percent of Britons and 56 percent of Germans, and only 28 percent of Americans. To insist that there exists a single socially correct answer to such questions is the height of illiberal arrogance, yet this is precisely the sort of position that the European Commission adopts. That it secures the collaboration of member states reflects merely an equilibrium in the traditional Community horse trading in protectionism and cross-subsidies.

Americans must be wary of creeping social correctness in the critical debates over their nation's economic future. As political correctness attempts to quash free discourse that an aggrieved group finds unpleasant, so the new doctrine of social correctness attempts to stamp out competition that politicians and special interests find effective. At the end of the day, its proponents can only succeed in rendering us uncompetitive and ultimately poorer. How much consolation would it then be to be told that we are not in economic decline, but are rather "economically challenged?"

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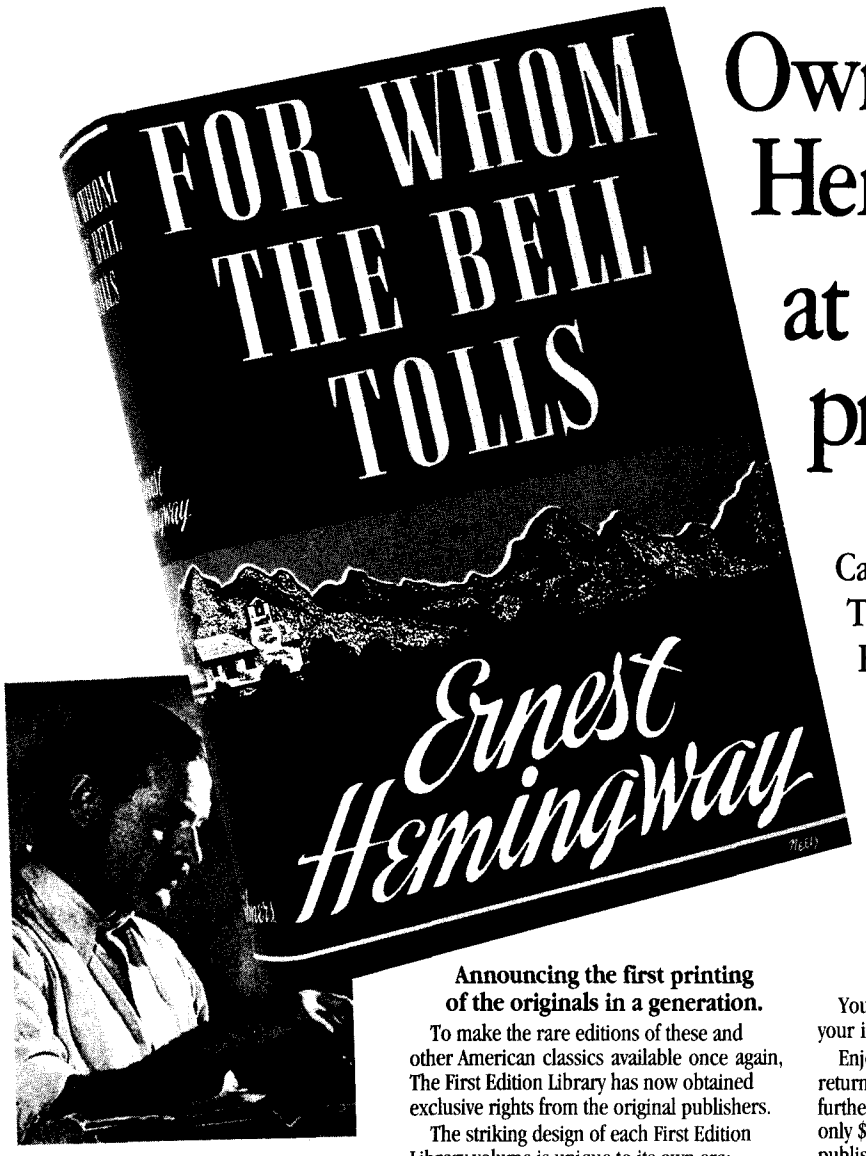

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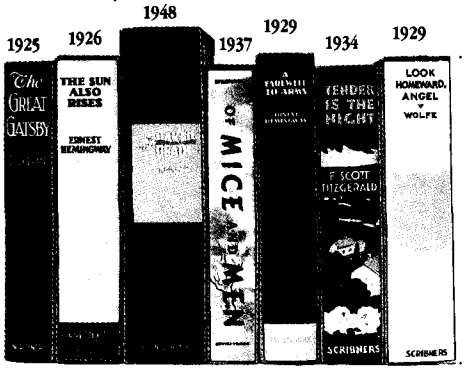

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Jump-Starting Ex-Communist Economies

A Leaf from the Marshall Plan

James M. Silberman, Charles Weiss, Jr., Mark Dutz

The republics of the former Soviet Union (FSU) and Eastern Europe (EE), if they are to avoid political and social chaos, have only a few years to make visible progress toward providing their people with a supply of affordable consumer goods and a reasonable standard of living. The United States, Western Europe and the rest of the world have a huge stake in avoiding the geopolitical havoc and massive migrations that might ensue if the formerly communist countries fail.

Current U.S. policy toward the countries of the FSU/EE is based on the premise that competitive free markets, combined with economic stabilization and privatization, will bring prosperity and economic growth. These changes are expected to encourage foreign investment and to press inefficient enterprises left over from the communist regime either to evolve or to die, letting new enterprises take their place.

This approach is not working fast enough. The average FSU/EE citizen has barely enough money to survive, a very limited choice of things to buy, and dim future prospects for more lucrative employment. However desirable rapid reform might be in the long run, its immediate social and political costs may prove too painful for fledgling democracies to accept.

To compete in the marketplace of the 1990s, FSU/EE enterprises require a wholesale change in their rigid mind-set, which they inherited from a centralized, militarized command economy cut off for more than 70 years from world markets and the worldwide flow of technological

JAMES M. SILBERMAN was Chief of Productivity and Technology Development at the Bureau of Labor Statistics, responsible for the Productivity Assistance Program of the Marshall Plan. CHARLES WEISS, JR., is former Science and Technology Adviser to the World Bank. MARK DUTZ is an economist for the World Bank's Private Sector Development Department.

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information. Instead of simply meeting production targets dictated from above, FSU/EE managers must now be familiar with cost accounting, marketing, quality and inventory control, labor relations, financial and organizational structure, product design, procurement and research. Workers, managers and consumers need to understand their stake in increasing productivity as a means to increase their quality of life. All participants must understand the implicit and explicit rules and procedures that enable a market economy to function smoothly.

Huge numbers of people from government, management and labor must therefore be exposed to new ideas on an unprecedented scale and within a very few years. An indispensable tool for this purpose is to send people from the FSU/EE to observe market economies and to see for themselves how enterprises are managed, how a competitive product is designed, manufactured and marketed, and how a modern economy operates, and then to have them share their observations with many countrymen upon returning home.

In the 1950s a similar effort, the National Productivity Drives, was financed as part of the Independent Technical Assistance arm of the Marshall Plan, reaching almost every plant in every industry, marketing agency, agricultural entity and research and development institution in Western Europe, Japan, South Korea and Taiwan. Now largely forgotten, these drives brought from Western Europe some 24,000 managers, engineers, supervisors, workers, and elected and appointed officials—and several thousand more from other countries—to the United States to acquire firsthand experience, to learn to make well-informed judgments, and to gain access to technology over a generation more advanced than what they were using. The drives accelerated the postwar economic recovery, in a few years raising the annual rate of increase in labor productivity of West European industry from its historical level of one percent a year to four percent or more.

DRIVING UP PRODUCTIVITY

The productivity-drive approach, suitably modified to fit changed circumstances, can jump-start the transition to a market economy in the FSU/EE. It can increase efficiency, improve services and expand the production of low-cost consumer goods, enabling workers and consumers to realize rapid benefits.

Energizing the productivity drive would be rigorous study tours of business enterprises in developed countries, focusing on subsectors and subjects requested by the participating countries. Covering just the Russian Republic may require 7,500 study tours totaling 100,000 participants at a relatively modest cost of $1 billion to $2 billion for a 10-year period. The month-long tours of 10 to 20 plants would consist of 15 or so managers, supervisors, union officers and government officials—whoever is essential to the introduction of new ideas. The participants would divide up the subjects for study, then collaborate on a report for widespread distribution within the FSU/EE and, upon their return, give lectures and seminars to extend farther the penetration of new ideas. Such tours would be the reverse of the now-conventional approach of sending consul-

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tants to the FSU/EE. Initially, the productivity drive should be protected from political turbulence and the misuse of study groups as political payoffs by working with local as well as national governments, nongovernmental organizations and well-managed farm cooperatives. Eventually, productivity entities in each participating country would direct and monitor the study tours, which in turn would be coordinated by an international secretariat.

To help put new ideas into practice, the participating countries would have access for several years to a menu of follow-up services from the countries that the tour visited: training courses and audio-visual aids, technical publications, advice from experts, and samples of products suited to local manufacture. The entire operation would be accompanied by a major publicity campaign, patterned on those that took place in every West European nation after World War II and designed to acquaint the country with the basic principles of productivity and how they translate into a higher standard of living for workers and consumers.

SELF-HELP AS THE KEY

Despite the continuing sell-off of state-owned enterprises and the start-up of small firms in some parts of the FSU/EE, large enterprises employing over 1,000 workers account for the bulk of employment in the region: over 32 million work in the Russian manufacturing sector alone. No government, however committed to reform, will allow these large enterprises to close until something emerges to replace them. This will not happen quickly. Republic after republic has refused to take the measures that would result in closing factories that provide most of the goods and most of the jobs. As a result, the rest of the reforms needed for a competitive market economy—stopping the flow of easy credit to money-losing enterprises, forcing bankruptcies and trimming excess staff, and setting up effective market-oriented institutions—have been and will continue to be slow in coming.

Even after they are privatized, large FSU/EE enterprises are likely to continue to make the same unsalable products using the same antiquated business strategies. These enterprises are typically led by engineers who focus mainly on production and new machines but who have little or no appreciation of Western management techniques for cutting costs and enhancing productivity. There is an urgent need to change these engineers' mind-set and to improve their skills.

Existing efforts are not sufficient. Foreign investment is very low and is unlikely to rise until the environment is perceived as more stable, information flows improve and coherent laws covering land ownership and commercial practice replace the current confusion. Subcontracting, "out-sourcing," and joint ventures are also very limited. Foreign aid, promised in large amounts, has for the most part been held up pending the adoption of further reforms, thereby further increasing public cynicism.

The productivity drive has important advantages compared to alternative methods of assisting the FSU/EE. It would produce prompt, visible improvements in productivity, so that the value of the program would immediately be per-

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ceived by a public weary of unfulfilled promises. It would meet the immediate needs of the FSU/EE countries for consumer goods that can be bought with local currency, for improvements in transportation and communications, and for the myriad of service industries neglected during the years of communist rule: distribution, insurance, banking, retailing, real estate, and so on. Other enterprise-to-enterprise private mechanisms, while important and valuable, are likely to overlook the subsectors that can give rise to the most rapid local increases in living standards.

The productivity drive would be relatively low in cost, and could not disappear in the form of capital flight or as deficit support to inefficient enterprises. Its ability to bring to virtually every large and medium-sized enterprise in the FSU/EE new methods of management and production, both through participation in the tours themselves and through the extension work that would follow them, is a critical advantage.

The productivity study tours would allow participants to identify for themselves those aspects of Western management and production techniques that can be directly integrated into existing practices and would make possible quick, widespread increases in productivity using existing equipment. The tours would in this way respond to the self-identified needs of FSU/EE managers and engineers, who are well educated and are heirs to a proud technological tradition.

National productivity drives would increase the effectiveness of the work of volunteers and paid experts for the FSU/EE countries by ensuring that such personnel bring expertise requested by those who need the advice. Postwar experience was that American experts were not requested by European factories—even though the Americans' services were available without charge—until about two years after the study tours. By that time the lessons had been absorbed and the needs for specific expertise had been well defined.

In any case it is very unlikely that foreign experts can provide direct advice to each enterprise in the FSU/EE at an affordable cost or in a manner politically acceptable to the recipients, even if such a program could mobilize the necessary Western political and financial support. Despite the rather limited scope of Western technical assistance to date, FSU/EE countries are already voicing frustration and resentment at what they see as waves of highly paid consultants who monopolize the time of high-ranking local officials, often ask the same questions as their predecessors, and then too often provide advice unsuited to local conditions. Finally, government-owned and newly privatized enterprises, despite their importance as employers and producers and despite the political influence of their managers, have for the most part been ignored by existing programs of technical assistance on the grounds that they are uneconomic dinosaurs deserving of extinction. This policy in effect writes off the FSU/EE's major industrial assets without allowing even the possibility that they can be made productive, and it earns the automatic animosity of the firms' politically powerful managers. The fact that workers are often dependent on their employers and on job-based networks for

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food, housing, medical care, vacations, child care, and other services only makes it more urgent that the problems of productivity and inefficient managerial skills be addressed.

The productivity tours would be available not only to already privatized enterprises, but also to government-owned enterprises or their successors that have taken concrete actions to orient themselves toward market requirements and to improve their productivity and efficiency. The productivity drive thus constitutes a bottom-up, market-driven approach equally accessible to all enterprises, providing an equal place at the starting gate rather than picking winners.

LESSONS FROM THE PAST

Although important differences distinguish the situation in Western Europe in 1950 from that of the FSU/EE countries today, striking parallels are at least as significant. European industry after World War II was in critical need of restructuring for productivity. Not only was industry partially destroyed, it was the ruins of an industrial plant that had been seriously out of date even before the war when it had been fully operational. Buffeted by economic instability and labor-management strife, protected from competition, lacking mass markets, and largely isolated from each other, from world markets and from outside developments in technology, much of prewar European industry never fully mastered the art of advanced product design or the techniques of low-cost mass production.

The productivity drives of the Marshall Plan achieved dramatic increases in productivity, helping to bridge the productivity gap that had grown up over several decades between Western Europe and the United States. In many industries, productivity within individual enterprises increased by 25 to 50 percent inside of a year with little or no additional investment. Laggard enterprises that would have been labeled loss-makers and closed in any free market reform often registered rapid productivity gains with little or no additional investment after they were exposed to more productive manufacturing methods, and they eventually achieved international standards of productivity. The productivity drives also created an awareness of modern technology that greatly improved the choice of equipment in the many major capital investments then under way.

The drive relied on national pride, national initiatives, and national identity, and was overseen by a locally chosen productivity commission composed of top-level representatives of government, business, and labor. Industry cartels agreed to lead the productivity drive, to accept and facilitate the difficult, multidimensional changes it was sure to entail, and to share the gains of productivity increases with workers and consumers. These industries did all this because of their fear of social unrest and because of patriotism engendered by the experience of defeat or near-defeat in war, despite the fact that they could perfectly well have profited from a restoration of mere prewar levels of industrial productivity. Indeed, prior to 1950 they had been investing in technology that would have led to no more than the latter.

The political leadership of the world's leading industrial power, the United

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States, conceived the productivity program of the Marshall Plan and put it into place despite the reluctance of a war-weary public. U.S. business leaders opened their doors to tens of thousands of visitors from potential competitors in 35 countries, sharing management and production technology that would help them bring up productivity and restore competitiveness. U.S. business leaders did so because they understood the gravity of the emergency, and because they were confident that by the time their visitors could put what they had learned into practice, their own firms would be far ahead. The resulting program was a major contributor to postwar prosperity in Western Europe.

The urgency of the task confronting the West today is similar. For a productivity program to succeed, the leaders of the major industrial powers must convince thousands of enterprises in hundreds of industries to open their doors to study tours and to show visitors, not necessarily the latest technology, but information on management, products and technology that can be used to build a modern economy. For their part, the leaders of several countries of the FSU/EE have expressed initial interest in a national productivity drive supported by technical assistance, and several West European powers have expressed interest in supporting such drives.

The size, scope and user-friendliness of the productivity drive give it a chance of launching the economies of the former Soviet Union and Eastern Europe in the direction of economic competitiveness and political stability. The time is ripe to put such a program into practice.

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Paul D. Wolfowitz

HARDING OR TRUMAN?

ONE YEAR'S PERSPECTIVE is a meager basis for judging the impact of any president on the course of American foreign policy. History provides some cautionary examples for both critics and supporters of President Clinton's first year. Like Clinton, two earlier presidents, Harry Truman and Warren Harding, took office at historic moments when eras of great struggle had come to an end, when old enemies had been defeated and the world looked like a much safer place. Both came to be judged very differently by history than they were judged after their first year in office: Truman because he moved to a much clearer and stronger course; Harding because his early success was based on illusions—illusions that helped to produce the debacle of the 1930s.

Despite the admiration with which Harry Truman's conduct of foreign policy is now widely viewed, his first postwar year in foreign policy was a stumbling performance, marked by growing tension between the president and Secretary of State James Byrnes and confusion about the direction of U.S. foreign policy. It was not until the end of his second full year in office, with George Marshall as his new secretary of state and with the announcement of the Truman Doctrine and the Marshall Plan, that the policy of containment first

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became clear. It was not until decades later that the success of that policy brought it the praise that is fully its due.

Warren Harding got off to a much stronger start in foreign policy, assisted by a secretary of state of extraordinary legal abilities, Charles Evans Hughes, a former justice of the Supreme Court and presidential nominee. In Hughes' capable hands a foreign policy of retreat and isolation was successfully presented as the active pursuit of peace by means of diplomacy and economic leverage, without the unpleasantness of serious security commitments. The Washington Conference on Naval Armaments was convened in 1921 and concluded its work before the end of Harding's first year in office, to warm bipartisan applause. Even a decade later, the Washington Conference was acclaimed by President Hoover as "the first step in history toward the disarmament of the world. That step was accompanied by the momentous treaties which restored good will among the nations bordering upon the Pacific Ocean and gave to all the world the inestimable blessings of peace and security."

Any postwar assessment, however, must follow the lines of historian John Chalmers Vinson's devastating critique:

> [T]he conference had created a new diplomacy of trust backed by the sanction of moral force. . . . A policy which in some respects was an acquiescence to the line of least resistance was rationalized, by wishful thinking, into a noble ideal—the protection of democracy. In the Twentieth Century this proved to be a parchment peace. It was peace conceived in the hope that pledges and public opinion unaided by international organizations and military force could meet the problems of a world power.

Will Bill Clinton's first year in foreign affairs ultimately look like Truman's, a halting first step toward addressing the real dangers to U.S. interests and acknowledging the need for American leadership to secure world peace? Or will his administration forge along in Harding's footsteps, indulging the comfortable conviction that the major threats to American security disappeared with the Cold War and that the United States can now protect its interests in the world with minimal effort?

President Clinton's foreign policy already looks much stronger than it did before his recent victory in the battle over the NAFTA. A defeat in that fight would have been calamitous for U.S. foreign pol-

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icy, beyond just the loss of the agreement. But the president's victory has done more than merely avoid harmful consequences. It has strengthened him at home as well as abroad, in part by dispelling doubts about his ability to take on a tough fight against popular opponents. And it is certainly promising that one of the most important political successes of this young president challenged the argument that the United States can no longer afford to play an active and engaged role in the world. It is also promising that this victory represented a strong bipartisan effort.

Whether Clinton will grow as Truman did in his role as leader of the world's greatest democracy and strongest power, or whether he will ultimately build a record more reminiscent of Warren Harding's, depends very much on his learning the right lessons from the foreign policy difficulties that he has experienced in his first year.

NATIONAL INTERESTS AND THE USE OF FORCE

A SENSE OF CONFUSION about defining and pursuing centrally important national interests is the most troubling aspect of the Clinton foreign policy at the one-year mark. With the important exception of the NAFTA debate, the administration has thus far failed to articulate an understanding of the national interest sufficiently compelling to engage major efforts by the country as a whole, or by the president personally, in international affairs. In addition, there has been a tendency to shift responsibility—crucial to successful leadership—away from the president and toward subordinates; away from the United States and to its allies, for example the Europeans on Bosnia or the Japanese and South Koreans on North Korea; and away from this administration and toward its predecessor with the rhetoric of "inherited crises."

In fact every new administration always starts with a world that it inherits. That includes successes as well as problems. The NAFTA was an inherited success. The accord between Israel and the PLO would not have happened without the peace process launched by President Bush or, even more fundamentally, without the U.S. victory in the Gulf War. Asia-Pacific Economic Cooperation is an inherited suc-

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PHOTOGRAPH BY STEVE LEHMAN, SABA

Somalia demonstrates a fundamental confusion over the use of force

cess, and much of the success the administration claims on the "big" issues, such as Asia, comes from a return to essentially the same broad policies as its predecessors, despite campaign rhetoric threatening more confrontational policies on such issues as trade.

But every administration is responsible for what it makes of the situations it inherits. In Somalia, President Clinton tried to improve on a modest success and ended up with a sizable fiasco. In Haiti he took a dubious commitment to President Aristide and deepened it, leaving himself with no obvious way out other than prolonged sanctions or the intervention of foreign peacekeepers. In Bosnia, Clinton properly criticized the policy of his predecessor but then failed in his effort to improve on it, leaving the situation unchanged except for the appearance of American weakness and inability to lead. What ties each of these three crises together is the all-important matter of deciding whether and how to commit American military force. In the

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cases of Somalia and Haiti the administration has engaged American military prestige on issues of little or no importance to U.S. national interests; on Bosnia, it has failed to develop an effective course of action that balances the considerable national interests with the significant risks involved.

It is ironic that the use of force should have emerged now as such a prominent issue. It would have been plausible to argue, at the start of the Clinton administration, that military issues would be less salient, given the disappearance of the global threat that had preoccupied the United States for four decades and the steadily increasing importance of international economics and trade. It is to the credit of the administration that it has not taken the isolationist view that the United States has no interests in the world that warrant the use of force. But it has failed to explain what American interests are worth defending and to justify the actions that it has taken in relation to those interests.

The mistake in Somalia was not the original decision to intervene. The initial success of Operation Restore Hope demonstrated that the United States had the means to save tens of thousands of innocent lives at almost no risk to American forces; to have done nothing would have placed the United States in the position of people who witness a murder that they could prevent simply by picking up the phone. The mistake was first to allow the United Nations, with much less military capability than the original U.S. intervention force, to pursue the much more ambitious, if not impossible, goal of "nation-building;" and then to compound that error by adopting the corollary goal of subduing General Aideed, a combat mission that only U.S. forces could perform and only at considerable risk. To send American troops into actual combat where there is no significant U.S. national interest was misguided. Having stabilized the situation by early 1993, the United States should have turned the mission over—as it appeared to do in March—to U.N. peacekeepers who could have maintained the security of food supplies in a broad area of the country.

The Bush administration decided to make an example of Haiti as a way to deter antidemocratic coups elsewhere in the Western Hemisphere (although it is doubtful that U.S. actions made the coup plot-

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ters in Venezuela, for example, fear that the United States would impose an oil embargo on them). Thus it placed a particularly warm embrace, complete with Oval Office visits, around a democratically elected leader whose own commitment to democratic practices is dubious. The sanctions are most likely to fail—deepening poverty in the hemisphere's poorest country and hurting the poorest of Haiti the most. But the policy is likely to fail even if it succeeds in securing Aristide's return, since that might merely intensify the violence and disorder in the country. Neither outcome is likely to reduce the pressure of illegal immigration to the United States.

Instead of seeking a middle ground that might eventually restore a semblance of moderate government (though not necessarily Aristide himself), the Clinton administration has tightened the Bush sanctions and intensified its support for Aristide. If Haitian military thugs had not scared them away there would now be American troops in Haiti to provide training assistance to a hoped-for Aristide regime. Without a change of policy, pressures are bound to grow for American military action either to restore Aristide to power or to maintain order if he returns. The Clinton adminstration must resist these pressures or risk another debacle like Somalia.

> The use of force cannot be approached in an experimental way.

Bosnia is the toughest case of all because it does affect larger U.S. interests in European stability, and the inaction that began with the Bush administration therefore has broader consequences. Some of these have been widely noted, such as the loss of confidence in NATO and the damage to relations between the West and the Muslim world; others are less noticed but perhaps just as important, such as the strengthening of pronuclear sentiments in Ukraine. The problem is that, real though these consequences may be, the results of a U.S. military intervention are potentially worse, including the very great likelihood of a forced military retreat, a result that would be far more damaging than continued inaction. This is particularly true of a major ground force intervention, but even air power is not immune to this risk. If bombing is intended to produce results rather than merely to punish, and if it fails to

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produce these results, the United States is then left with the unpalatable choice of a prolonged campaign with no certain outcome, or disengagement and a loss of credibility.

There is an alternative to the direct use of U.S. force that the United States failed to pursue with sufficient determination or skill. It starts with treating the Bosnian government like a real government—including opening an embassy in Sarajevo—and goes on to assist Bosnia in various ways, including military supplies. From this perspective, applying the arms embargo originally imposed on Yugoslavia to the Bosnian government is not simply an unjust denial of the right of victims to defend themselves against agression, it is also a strategic and political blunder. It deprives Washington of the one forceful option that does not risk American lives. The Clinton administration was right to try to lift the embargo, but it did so without apparently understanding the magnitude of the opposition it would encounter and without any serious plan for meeting it. This halfhearted effort was bound to fail, and in doing so it made the situation worse than before because of the loss of U.S. credibility.

The use of force cannot be approached in an experimental way, by dispatching military personnel to Haiti to withdraw them if they meet opposition; or embarking on a hunt for Aideed to abandon it if it gets difficult. (An even worse tactic, from this point of view, would be to use bombing to send a signal to the Serbs and see how they respond.) Nor can leadership be exercised simply by going and asking other countries for their views. What is too rarely appreciated about the leadership that President Bush exercised in putting together the Gulf coalition is that it consisted of much more than placing long-distance phone calls and dispatching Secretary of State James Baker around the world. Most of all it rested on his powerful personal commitment that the United States would get the job done and that countries that signed up with America would not find themselves caught holding the bag. Without that kind of demonstrated will—and the capabilities to back it up—Washington's prospective partners will not tell it what they want because they will fear a course of action that brings risks but no results.

Some Clinton administration officials have attempted to dismiss

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the painful experiences of Somalia and Haiti by pointing out that those regions are less important than Russia or East Asia and that therefore their blunders have no consequence. In one sense this rationalization is merely a statement of the obvious: marginal regions are marginal. But it misses the point that the ability of the United States to use force effectively—wherever it decides to do so—is itself a major interest of this country and is the foundation of the substantial military stability among the major powers that the world enjoys today. This ability to use force has been jeopardized to some extent by setting political or military goals that were not truly central to U.S. interests. Perceived American weakness in the "unimportant" arenas of Somalia and Haiti, for example, could lead to a catastrophic misjudgment of U.S. intentions in East Asia.

Additionally, the pattern of testing out policies and backing away from them may cause the American people to question whether any international issues are to be considered vital for the nation. By too casually committing U.S. forces in situations that are not critical and where the commitment is thus halfhearted, the administration runs the risk that it will not be able to commit forces later in truly vital situations, and that such a commitment would be presumed halfhearted in any case.

Some decline in the perception of American power since the dramatic success of the Gulf War was inevitable, particularly given the large cuts the United States is making in its defense establishment. The failures of the last year have dangerously accelerated that decline. This is disturbing because respect for American strength and confidence in U.S. ability to use force will become critical if developments in either Russia or Asia—areas of unarguable significance—bring the United States to the point of international crisis. The makings of such a crisis are unfortunately discernible in North Korea's continued push to acquire nuclear weapons, a development that President Clinton has correctly called unacceptable. Military and political credibility are far too important to be dissipated, as they have been, in marginal commitments. Credibility helps deter future provocations that might otherwise result in a war.

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THE PURSUIT OF THE NATIONAL INTEREST

A SUCCESSFUL FOREIGN POLICY depends upon a clear definition of national interests, but it also depends on a clear understanding of how to pursue those interests. In its use of the mechanisms of foreign policy the Clinton administration needs to be more cautious in its embrace of two concepts that have become popular of late: multilateralism and peacekeeping.

At one level there is nothing new about multilateralism. Throughout the Cold War period it has been U.S. policy to summon as much international support as possible and spread the burden of action to as many partners as possible. To do so is simply common sense. It is something else to say, as Undersecretary of State Peter Tarnoff apparently did, that the United States can no longer afford to act except multilaterally.[1] This is a particularly odd doctrine at a time when the relative strength of the U.S. is still enormous: the demise of its Cold War competitors has left it with unchallenged military strength. Even with the defense burden reduced to little more than three percent of GNP—roughly half the burden America sustained during the Cold War—the United States is by far the world's strongest military power. Its economy is also the world's largest and, as is becoming increasingly clear, the strongest. America's predominance is magnified when one considers that the stronger of the other countries in the world are all close allies.

It is fair enough to say that the United States must count on those increasingly strong allies to do their part. But multilateralism emphasizes not alliances but much looser groupings, which necessarily must include countries that do not share close common interests, particularly at the global level of the United Nations. For its advocates such a broadly indiscriminate grouping both avoids the exclusivity of alliance-like relationships and forces the United States to pursue common international interests rather than presumably narrow national ones.

[1] To his credit, Secretary of State Warren Christopher a few days later delivered a speech on the importance of U.S. leadership, and the administration denied that Tarnoff's thinking represented official policy. Nevertheless, Tarnoff is the third-ranking official in the State Department, and his views must carry some weight.

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The end of the Cold War has made cooperative action through the United Nations newly feasible in many cases by eliminating the threat of a Soviet veto, most dramatically during the Gulf War. But the Gulf War coalition was the product of special circumstances; a relatively small number of core members had a common view of the threat to their vital interests and were able to persuade others to support those goals through political and economic persuasion—in part because the other nations did not have competing concerns. The Gulf War alliance cannot provide a realistic model for future post-Cold War crisis management. A truly multilateral approach presumably would be directed toward some common purpose, determined either by vote of an international body or by decision of the secretary-general of the United Nations.

It is conceivable that nations may on occasion subordinate their national interests to internationally derived aims when there are no significant conflicts involved (as in purely humanitarian missions) and where minimum effort is called for. But, as we have seen in Bosnia, this can be a formula for inaction, governed by the lowest common policy denominator. (This is the only explanation for why both the Clinton and the Bush administrations have failed to treat Libya—which cold-bloodedly murdered hundreds of Americans—with anything like the severity applied to Haiti, which resembles Libya only in its internal behavior.) This is not an approach that should content the United States where important national interests are at stake. In such cases, as in the Gulf crisis, Washington needs to shape a consensus that supports American interests consistent with fundamental international principles—as both administrations failed to do in Bosnia—and be prepared to act, if necessary, with only those partners that share its purposes. In fact, the United States' determination to act independently and its ability to do so will increase the chances of creating the consensus it desires.

Washington must be prepared to act with only those partners that share its purposes.

The multilateral approach may go too far as well as not far enough. The United States must not engage its forces and put its personnel at risk except on behalf of important national interests, as determined by the American people and their elected leaders. Failure to observe

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that limitation is not only a violation of the implicit contract with the men and women who volunteer for the armed forces—a violation having practical as well as moral consequences—but it is bound to lead to a collapse of the political support necessary to sustain U.S. troops in combat, as happened in Somalia. Unless the president can present a military mission as serving important U.S. national interests, the public will not support even low levels of casualties.

THE PEACEKEEPING TRAP

LIKE "MULTILATERALISM," "peacekeeping" is in danger of being misapplied. There is a well-established and useful function of peacekeeping forces in situations like the Sinai, where there is truly a peace to be kept and where the peacekeeping forces serve the function of assuring each party that the others are in compliance. It is quite a different matter to introduce peacekeeping forces to compel the parties to a conflict to stop fighting, without any agreement on the terms and conditions for doing so. To call the latter "peace enforcement" at least acknowledges the problem but still conceals the risks involved.

These are particularly dangerous if the conflict is not one between organized groups but rather civil strife that has erupted because of the collapse of effective authority. If care is not taken, international forces will be introduced not as peacekeepers or even peace enforcers but as a substitute for effective civil authority. Many of the proposals for use of international forces in these situations are asking, in effect, that they play the role of the old imperial powers. Yet despite the lure of riches and glory, the imperial powers lacked the will to sustain such a role; it is not clear why an international force should fare better, absent any specific national interest. Unless the international force can muster an exceptional level of local support, it will have to use force and take casualties that will cause its mission to be questioned around the world.

A less obvious but no less important problem with peacekeeping in conditions of conflict is the emphasis it places on the neutrality of the peacekeepers. At first glance it is appealing to talk about bringing in a neutral force to stop the fighting, not to take sides. But the consequence is that the peacekeepers cannot take sides even between vic-

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tims and aggressors. This presents a practical as well as a moral difficulty: by precluding support of local forces the requirement of neutrality increases the requirement for outside intervention. In many cases the most effective option that does not put U.S. forces at risk is to support local forces—Afghanistan is the most dramatic but not the only example. Yet in Bosnia the United States is contemplating committing thousands of peacekeepers because it is unable to help the Bosnians defend themselves, in part because doing so might endanger the peacekeeping forces that are already there.

Breaking out of this circle requires choosing sides, choosing between victims and aggressors. That is harder than it sounds, because the issues are rarely one-sided. The president has joked that in the Cold War things were easier because the threats were clear. This is odd coming from the leader of the party whose presidential standard-bearer in 1972 called for slashing the U.S. defense budget to $55 billion and whose leader in the Senate was the author of the Mansfield Amendment, which called for the withdrawal of U.S. forces from Europe. The threat was not viewed by everyone as clear-cut: recall the ridicule heaped on President Reagan for using the term "evil empire" to describe the Soviet Union, a term that has since been adopted by the Russians themselves. Moreover, there was enormous controversy about what to do on such issues as intermediate-range nuclear forces in Europe. At a time when the Reagan administration was struggling to get European support for the deployment of U.S. Pershings and ground-launched cruise missiles, the House of Representatives was passing resolutions supporting a nuclear freeze, which would have made those deployments impossible and would have preserved the Soviet preponderance in intermediate-range missiles.

The fact that these issues are almost always ambiguous should not obscure the fact that choice is sometimes necessary, nor should the fact that choosing sides inevitably means reducing the number of countries cooperating with the United States and perhaps means encountering opposition. America cannot have it both ways; it cannot achieve substantial foreign policy aims, militarily or otherwise, if those aims must be limited to the shared interests of the most general of all international assemblies.

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THE THREATS TO AMERICAN INTERESTS

THE WORLD is still sufficiently dangerous that it requires leadership to maintain peace, leadership that only the United States can provide and from which the United States benefits along with most other nations. The dangers do not come from Somalia or Haiti, but rather, in the near to medium term, they come from what National Security Adviser Anthony Lake has called "backlash states" like Iran and Iraq, particularly if those states acquire nuclear weapons. In the longer term, much greater threats could emerge if the United States fails to maintain the broad peace and stability that has been achieved in the great power centers of Europe and Asia.

Some of the issues on which the administration has so far been able to claim successes are likely to get more difficult. The policy of dual containment of Iraq and Iran, for example, provided a much-needed break with old notions of depending on a balance between the two to protect security in the gulf. But, except for the excellent decision to increase pre-positioning of U.S. military equipment in the Gulf, there is not a clear commitment to the policy, and it is likely to be severely tested by Iraq's efforts—now supported by France—to lift the U.N. sanctions. A victory of that magnitude for Saddam Hussein would be a terrible setback for stability in the Middle East, including the very promising peace process. It also presents the very high likelihood of a repeat Iraqi attack in a few years, but with Saddam Hussein then benefiting from all the helpful analysis that he can read about why he failed in his first attempt.

Yet there is no sign so far of any high-level attention to this problem. And despite all the earlier criticism of President Bush by the new president and vice president, the Clinton administration has done virtually nothing to call Iraq to account for its renewed claims on Kuwait, its border incursions, its oppression of Shia in the south, or its war crimes in Kuwait. The only exception to this pattern of inaction—a pattern that suggests a desire to avoid the whole issue of Iraq—was the response to the attempted assassination of former President Bush. Even that response finessed the need to prepare American public opinion or to mobilize international support by selecting a

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kind of response that required no cooperation from another country (even for bases) and that would be completed virtually at the moment it became public. Its military effect, moreover, was negligible, hardly proportionate to the enormity of what the Iraqis tried to do.

These immediate and pressing crises must be dealt with while long-term problems are simultaneously grappled with, the most critical of which is certainly the future of Russia. President Clinton was right, of course, to back President Yeltsin strongly in last fall's crisis. There was no alternative to Yeltsin at the time that offered any hope for the success of democracy in Russia. The United States has a huge stake in that success and in the continuation of Russia's generally moderate foreign policy. But support for Yeltsin so far has required little more than rhetoric. Important rhetoric, to be sure, but the rhetoric also requires radio broadcasting, which is being cut back during the campaign.

The United States has made its entire policy for Central and Eastern Europe hostage to Yeltsin's success.

More worrisome, the United States has made its entire policy for Central and Eastern Europe hostage to Yeltsin's success, a success over which it has little control. By identifying its own foreign policy success so closely with Yeltsin's success, the administration risks losing the capacity to assess Yeltsin critically, a mistake the Bush administration made with Mikhail Gorbachev. It already seems to be subordinating its policy toward other countries in the region to concern about how those policies will affect Yeltsin, even where U.S. interests may be large and the effect on Yeltsin marginal. Thus the administration seems not only unwilling to challenge Russian actions in its so-called "near abroad," but also seems unresponsive to the security concerns of the East Europeans and unenthusiastic in its support for Ukrainian independence. A policy of "Russia first," pursued with balance, makes sense as long as Russia is proceeding on a moderate and democratic course, but the administration is slipping into a dangerous and misguided policy of "Russia only."

Despite the rhetoric, the Partnership for Peace is a sharp rebuff to the Central Europeans' plea for NATO membership. In his last book, Ambassador to the Former Soviet Republics Strobe Talbott described

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how President Bush skillfully overcame Mikhail Gorbachev's strong opposition to German membership in NATO, eventually persuading him that it made sense for Russia. Yet Ambassador Talbott's own administration seems to have simply yielded to Russian objections to Central European membership.

Ukraine is a more difficult and urgent problem. Even though the Ukrainians have not always made it easy for the United States to help them, neither the Bush nor Clinton administrations have very helpful track records. It is important to the United States that Ukraine be both independent and nonnuclear. Both of these objectives are important, and the relationship between them is complex. It gets even more complex when one adds the goal of economic reform (which is going badly) and the goal of peaceful relations with Russia (which is in some respects the overarching goal). But the United States seems to be in danger of pursuing the nuclear issue at the expense of everything else, in a way that could weaken Ukrainian independence and invite much bigger trouble. If, as currently planned, President Clinton visits Moscow and Minsk while bypassing Kiev, his actions will send all the wrong signals to those in Ukraine who fear that the United States does not care about their independence as well as to those in Russia who believe that Ukrainian independence is only temporary. Staying away from Kiev, it is true, will send a powerful message of U.S. unhappiness on the nuclear issue, but it will not make that issue easier to solve. The president would do far better to use a visit to advance the ideas Secretary Aspin put forward earlier, to place the nuclear weapons in Ukraine under transitional international control. But they seem reluctant to press this initiative, once again apparently because of the negative Russian reaction.

In East Asia long-term interests and short-term dangers combine to provide the most likely crisis that will face President Clinton in 1994: North Korea. There is little likelihood that the present policy of cajolery and inducements can persuade North Korea to abandon its goal of acquiring nuclear weapons. It may settle for the kind of loose constraints that allowed Iraq to progress rapidly toward a nuclear capability (even though officially in compliance with the Nuclear Nonproliferation Treaty), but it is hard to see how President Clinton

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could square such an accommodation with his publicly declared determination to prevent North Korea from acquiring nuclear weapons. To achieve a real solution, the United States will have to confront the North Koreans with much greater potential costs. That is a dangerous course, but a North Korean nuclear capability would be even more dangerous. In any event the United States should be looking at plans to strengthen the defense of South Korea, not bargaining away its ability to hold military exercises.

In any such serious crisis where critical U.S. interests are involved, the president will have to articulate an effective case for the national interests that are at stake; he must persuade leaders of other countries that he is determined to act and not merely polling them for their views; and he must demonstrate that he and his team can handle a crisis involving the risk of force.

Bill Clinton brings some exceptional talents to this role. He has the ability to master the issues and to present a persuasive case to the American people. With the NAFTA victory behind him, he has demonstrated the toughness to persevere in a difficult fight and to carry the American people with him. But to succeed, the president must overcome the impression that he has himself helped to implant in the public mind, that foreign issues don't matter—that it is rather "the economy, stupid." He must overcome his own apparent annoyance at having to address issues of foreign policy at all, and accept that it is a major part of his responsibilities. And he must recognize that, although the issues are often complex, with powerful arguments on both sides and agonizing risks involved, a certain simplicity and clarity of articulation are ultimately required when vital U.S. interests are at stake.

If the president can meet this challenge, he may discover that good foreign policy makes for good domestic politics. More important, he might have a place in history as a president who made the world a safer place, not one who encouraged comfortable illusions: that is, as a Truman, not a Harding.

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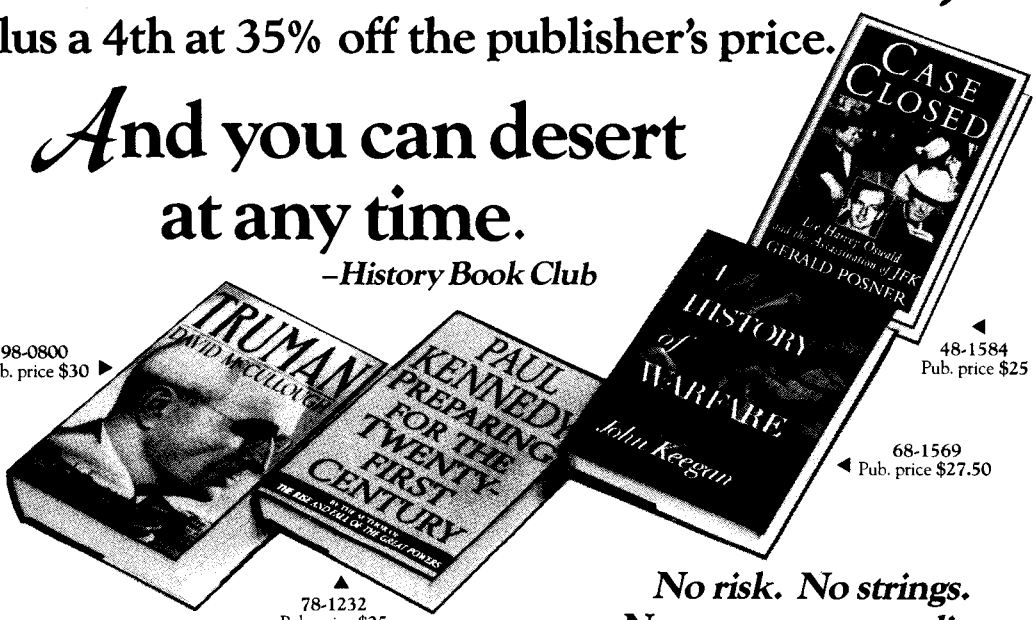

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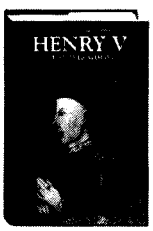

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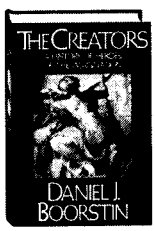

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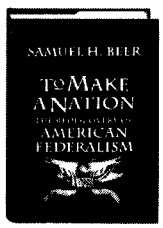

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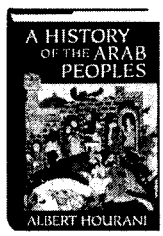

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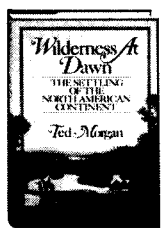

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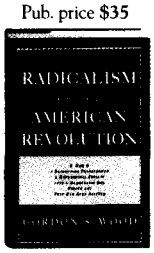

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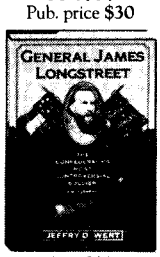

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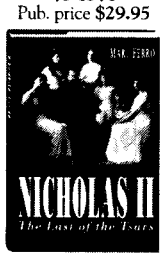

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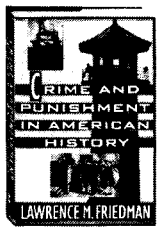

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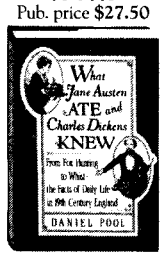

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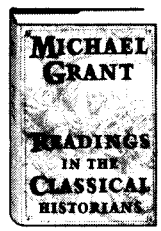

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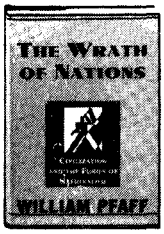

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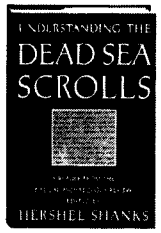

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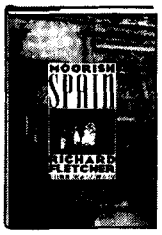

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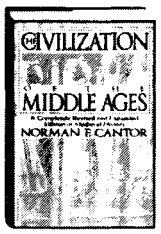

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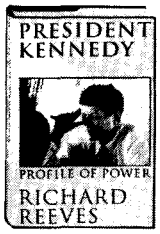

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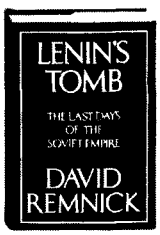

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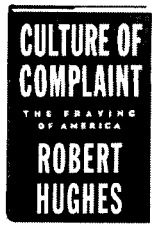

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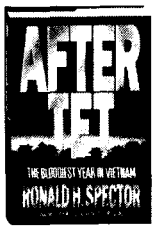

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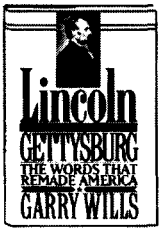

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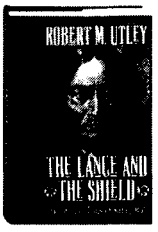

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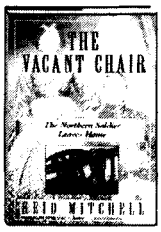

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Beyond Boris Yeltsin

Philip Zelikow

FOLLOWING AMERICA'S ENDURING INTERESTS

BESET BY FOREIGN POLICY crises in Bosnia, Somalia and Haiti, President Clinton and his chief advisers have argued over and again that they are at least getting the big issues right. They invariably point to their policy toward Russia as the exemplar of this success. Indeed, the administration deserves great credit for energetically organizing multinational economic assistance to the former Soviet Union. It also chose wisely to endorse Russian President Boris Yeltsin's dictatorship during the September struggle with his parliamentary opponents—though it was inconceivable that any American administration could have lined up behind Ruslan Khasbulatov and Aleksandr Rutskoi. The real choice was whether to support Yeltsin with strong words or weak ones.

Individual accomplishments, however, must be judged against some external standard. The best measure of success with Russia is the extent to which America and its friends have become safer and more secure. Judged by this ruler, the results are troubling. The Clinton administration has elevated support for internal reform in Russia—a means to an end—into an end in itself. It is revealing that the administration's own policy czar of all the Russias, Strobe Talbott, has emphasized to the Congress that, "Bill Clinton made clear

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that support for reform in the newly independent states would be the number one foreign policy priority of his administration."

While there has been much support for reform, there has been less success so far on the objective of enhancing America's security. American policies have not kept pace with the growing danger of dispersal of nuclear weapons and materials within the former Soviet Union. Russia and other republics could still become important conventional arsenals for America's adversaries. And the record of cooperation in "global problem solving" with Russia has gone from excellent at the end of 1991 to problematic by the end of 1993.

After Russian-American rapprochement swelled into a genuine entente between Moscow and Washington during 1990 and 1991, both the Bush and Clinton administrations were hopeful that they might press on to turn the relationship into a true "strategic partnership" or quasi-alliance. These hopes are now fading. In the years ahead it will be difficult enough to protect the old entente as the path to democracy grows more tortuous, divergences between Russian and American interests become clearer, and the Russians react to a geopolitical relationship they increasingly consider to be one-sided.

President Clinton has wholly cast America's lot with Yeltsin, despite having criticized President Bush for too strongly and lengthily attaching American interests to Mikhail Gorbachev. The alternative to the current U.S. policy is not abandonment of Russian reform. It is the articulation of coherent policy goals that transcend internal Russian politics. The adhesion to Yeltsin risks encouraging within Russia exactly the polarized, anti-American tendencies that Washington fears. The United States should make clear that its policies are guided by the lodestar of enduring American security objectives, whatever Russian faction prevails. Such a position can more easily be explained and defended to Congress and the American people. Meanwhile, the United States would remain free to support whichever Russian leaders are most able to help the United States achieve its security goals. Such a position may be more candid. It will certainly be more durable. The Russians and others will respect both qualities.

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SECURITY ISSUES REMAIN PARAMOUNT

AMERICA IS NOT BOUND to Russia, Ukraine or other former Soviet republics by deep or intrinsic ties of history, culture, demography or commerce. Before the Second World War Russia did not have an important role in the history or interests of the United States. Usually friendly, sometimes hostile, American relations with Russia were, above all, distant. Concerns about Russia, for instance, played little part in bringing America into either World War I or World War II. American interest in Russia during and after World War II arose from Russia's involvement in or threat to those areas where the United States did have such deep and intrinsic interests. In other words, American national interests in the Soviet Union during the last half century were an outgrowth of concerns about Soviet security policy.

This condition has not really changed. The real and latent military capabilities, threat of conflict, and possible imbalances of power emanating from the former Soviet Union remain the primary reason for American interest in the region. Contrary to statements from the Clinton administration, there is nothing especially compelling about Russia's value to the United States either as a market for goods or as a source of commodities (except for oil). Russia ranks alongside Turkey in the value of its trade with the United States. American direct investment in Russia is one-fortieth of its investment in the Association of Southeast Asian Nations, and does not even match what Disney has risked in opening its French amusement park. In 1991 the United States exported more to tiny Malaysia than it did to Russia and all of the other republics of the former Soviet Union put together.

Traditional security concerns—concerns about conflict and military power—thus remain the principal motives for strong American interest in the fate of Russia and the Eurasian republics. And among those, no issue is more important to the United States than the fate of the enormous nuclear arsenal that belonged to the Soviet Union.

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THE QUIET NUCLEAR CRISIS

THE CLINTON ADMINISTRATION has made little progress on the problem of nuclear weapons dispersed in the former Soviet republics, specifically in Ukraine. The strategy is such a patchwork of improvisation that at this point it is difficult to make out what theory of persuasion lies beneath it. When it was a strategy of appeasement—offering reassurances and promises of aid to propitiate Kiev—the results were counterproductive. If it has since become a strategy of both carrots and sticks, then the only stick has been to withhold baby carrots. Nor is it clear why Washington has not involved West European allies to a greater extent and has instead reserved for itself all the risks and burdens of a problem that concerns all.

The administration must clearly condition its future support for an independent Ukrainian state.

Thus to influence Kiev to give up nuclear weapons, the Clinton administration has moved from single-issue pressure tactics to promises of fruitful general relations to aid enticements to military "cooperation" in exchange for Kiev's early deactivation of strategic missiles. Washington has also tried to arrange purchase of Ukraine's resulting cache of highly enriched uranium. Some useful progress was made during the summer, aided by Secretary Les Aspin's use of defense-to-defense channels. But by the end of September the deal had fallen apart, along with the Ukrainian government. Ukraine's ability to carry forward any major policy initiative now appears overwhelmed by the country's economic and political crisis. The Ukrainian position on retaining nuclear weapons has hardened. The day before Secretary of State Warren Christopher's October visit to Kiev, President Leonid Kravchuk stated in a speech that Ukraine's nonnuclear goals should be viewed in the same way and on the same timetable as the global nuclear disarmament of all other nations. A month after Christopher left Kiev, the Ukrainian parliament openly and overwhelmingly defied the United States by refusing to join the nuclear Nonproliferation Treaty or to forswear nuclear weapons.

The primary weakness of U.S. strategy has been that it alternates

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between anemic support and toothless hostility of the kind that annoys without commanding respect. Ukraine has correctly assumed that America unconditionally backs its continued independence, a view that is the logical outgrowth of the American sympathy for the forces of self-determination in the Soviet Union's declining years. But the administration must clearly condition its future support for an independent Ukrainian state. After all, Kiev's assurances about nuclear weapons were linked to America's original 1991 recognition of the new state. The United States must spell out a strong set of positive and negative consequences for Ukrainian behavior.

If Ukraine does not abjure nuclear weapons, Washington should make clear that it will lobby Western Europe to join in cutting off support for Kiev. The United States and the European Community, moreover, would not only stand aloof from Ukraine's disputes with Russia but would also be forced to look to Russia as the ultimate guarantor of Eurasian stability. Ukraine could well conclude that, under such circumstances, retaining nuclear weapons would only place its national survival in greater doubt. If, on the other hand, Ukraine chose to align itself with the West, it would receive substantial U.S. assistance, not only economic, but also for its conventional military defenses—concrete military aid, not empty security "guarantees." Russia might dislike this Western course but, given the choice, it would still choose a nuclear-free Ukraine above all else.

The United States must also worry about the vast stockpile of some 30,000 nuclear weapons in Russia itself. Although the Russians have many more nuclear weapons than the United States, Washington's concern now is not with the strategic military balance. The more urgent issue is the safety and security of this tremendous arsenal, the related stockpiles of fissile material and other human and material assets used in building nuclear bombs. Russian nuclear forces are scattered among more than 200 different locations throughout the federation. At many of these sites isolated detachments guard aging stockpiles of obsolete bombs or missiles, parts of a nuclear custodial system designed for a very different environment than the one that now exists. One-tenth of one percent of the Russian nuclear arsenal could devastate dozens of large

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cities and kill millions of people. Yet Russia today is a country where the government cannot confidently assert effective control over 99.9 percent of anything.

THE ARSENAL OF ANTIDEMOCRACY?

ANOTHER DEEPLY WORRYING security problem that faces the United States is the supply of arms to radical states. The stance of Russia (and Ukraine) will plainly be critical for revisionist challenges to the hierarchy of world power led by the United States. States like Iran do not need to match America's military might; they need only start by building up enough sophisticated forces to offset the portion of America's power regularly available in the region, raising the stakes for American involvement in a crisis and threatening U.S. freedom of action.

Russia and Ukraine are among the few states able to sell the sophisticated military technology that can even aspire to American levels of quality. Both states know this fact and are anxious to sell more arms. Konstantin Sorokin has pointed out: "Today in Russia, any criticism of arms sales practices on moral or other grounds is rare. . . . This strategy has a broad and influential constituency as well as full governmental backing."[1]

In 1991 Russia signed a deal to sell three Kilo-class diesel attack submarines to Iran and appears to be renewing substantial military cooperation with China. Ukraine has already begun turning to Iran as a source of oil to replace Russian supplies. Arms sales to Iran have been reported as a likely medium of exchange. The lure of the Iranian, Chinese and possibly even Iraqi markets will be powerful as Russia's traditional arms markets in Eastern Europe dry up or, like India, turn to other sources of supply.

Russian-American disputes over the new arms export policy were crystallized in 1993 by the Russian sale of cryogenic rocket engines to India. Months of high-level negotiations finally produced an

[1] Konstantin Sorokin, "Russia's 'New Look' Arms Sales Strategy," *Arms Control Today*, October 1993.

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agreement that turned a blind eye to some transactions that had already taken place while forbidding new ones. In return for Russia's forbearance, the United States and Russia concluded a new agreement for cooperation in future manned space exploration.

The cryogenic engines themselves were less important than the apparent lack of connection between the international pledges of Russia's political leaders and the international behavior of Russia's state enterprises. The Russian media has reported on the North Korean attempt to set up a ballistic missile research institute with Russian scientists and on the underground delivery to China of technologies and experts in ballistic missile guidance, cruise missiles and sophisticated antisubmarine weapons.

Increasingly U.S. officials are finding that traditional channels for handling international problems through Russia's foreign ministry seem inadequate or even irrelevant. Although some deals can be struck more or less directly with the entities wielding power over the issue in question, the long-term trend can only worry the United States. The Russian government openly approves of expanded arms sales, and the climate for authorized and "partly authorized" arms exports seems permissive.

HOPE FADES FOR STRATEGIC PARTNERSHIP

GENUINE ENTENTE ONCE inspired hope in both the Bush and Clinton administrations that relations with Moscow could be turned into a "strategic partnership." Those hopes have faded. They may vanish altogether as the path to Russian democracy grows more tortuous and the divergence between Russian and American interests becomes clearer. Though rarely heard in the United States, more conservative Russian voices, which represent not only the dominant view of the "outsiders" but also many within the Yeltsin regime, express discontent with a geopolitical relationship that is increasingly one-sided. Russia has done little to interfere with U.S. policy initiatives through the United Nations in regions where Russia took little interest, such as Somalia or Haiti. Little cooperation has been needed on Middle Eastern issues. But

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Russia has already begun to balk at cooperating on smaller matters, disassociating Moscow from the U.S. punitive strike against Iraq in January 1993, refusing to pay Russia's share of the peacekeeping assessment for U.N. forces in Cyprus, and balking at movement toward harsher U.N. sanctions against Libya.

The major global problem in 1992-93 of common concern to both countries was the Bosnian crisis. Moscow's principal diplomatic initiative was in May 1993, at a time when military action seemed imminent to enforce Serbian agreement to a cease-fire and acceptance of the Vance-Owen peace initiative. Russia intervened to propose that the Bosnian Muslims be safeguarded in U.N.-protected "safe havens." Moscow won President Clinton's and Secretary Christopher's support for the idea. The joint safe-havens proposal, developed after U.S.-Russian consultations, was duly deployed before the end of May.

Hopes that relations with Moscow could be turned into a strategic partnership have faded.

It is hard to determine what U.S. interests were served by the safe-havens proposal, a policy whose fate soon outran the most pessimistic predictions made for it. At the time the initiative also undermined what little coherence remained in America's Bosnian policy. This initiative was a success, however, from the Russian perspective. It dissipated the ripening threat of anti-Serb military action. The subsequent movement toward partition has been encouraged by Moscow.

Fears have grown in the West about Russia's assertive policies in the republics of the former Soviet Union, including the use of force and covert action to reduce Georgia and Azerbaijan to Russian protectorates. The Clinton administration has preferred to say little about these developments, which clash so jarringly with the image of Yeltsin's Russia being purveyed in order to convince Congress and the public to appropriate aid money. Other commentators have urged, however, that Western leaders use their economic and political leverage to check Russian "adventurism."

In searching for broader themes to determine American policy, two considerations should stand out. The first is U.S. security inter-

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ests in the region. Except for Ukraine and the Baltic states, America's stakes in the fate of other republics are at the moment limited. The United States lacks strong intrinsic interests in Moldova, Georgia or Tajikistan. In fact Russia's interests may coincide more with American interests than those of other states, such as Iran, that may be tempted to become involved in these peripheral conflicts. For the United States a continued posture of disinterested detachment may be the best way to help defuse potential conflicts.[2]

The second guiding principle for American "nationalities" policy should be the preservation of global respect for critical norms of international behavior. One of these is the promotion of peaceful, rather than violent, settlement of international disputes. Yet "self-determination" may not be such a norm, if taken in the collective sense asserted by ethnic groups or nations. A narrower interpretation of self-determination could define it as allowing all individuals the opportunity for effective participation in their government's political process.

It should be noted, too, that the model of Western-style democratization might not promote civil peace. Several examples suggest that the process of democratization actually inflames or institutionalizes ethnic tensions in severely divided societies, until conditions or political procedures better reward the formation of multiethnic governing coalitions or encourage needed devolution of central control.

AMERICA'S MARRIAGE TO REFORM

DEFENDING THE Russian-American entente has been complicated by the Clinton administration's deliberately simplistic rhetoric,

[2] An August 1993 furor over Washington's appointment of veteran diplomat James F. Collins as a possible mediator between former Soviet republics obscured the central point: American mediation was conceivable only if the United States did not have a vital stake in the outcome. Collins' appointment, in conjunction with complacent ruminations about the opportunites for international peacekeeping, caused some observers to infer an American desire to intervene, even militarily, in these troubled regions. The inference, thankfully, was false. On the controversy, see Steven Erlanger, "U.S. Peacekeeping Policy Debate Angers Russians," *The New York Times*, August 29, 1993.

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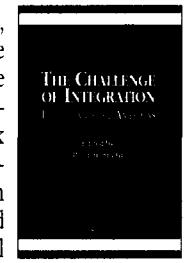

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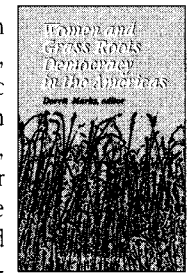

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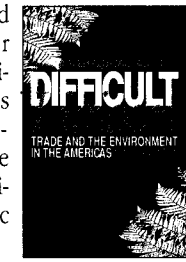

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which has portrayed America's choice in Russia as one of reform versus reaction. The policy is reminiscent of Dean Acheson's decision to be "clearer than truth" in enunciating the Truman Doctrine in 1947. While such simplified language may be useful in persuading Congress and the American people to support aid programs, it also shapes false perceptions and expectations. In this binary formulation the forces of Russian "reform" are portrayed as synonymous with peace, democracy and national contentment, and the "reactionary" elements with authoritarianism, imperialism and the prospect of a new Cold War. No attempt has been made to prepare the American people for the murkier realities that lie ahead.

Our old assumption was that all reform in Russia was good, because it undermined the totalitarian organization of the Soviet state, which we considered inherently dangerous. Carrying this assumption over to the new era, Ambassador Talbott has described the new U.S. approach as a "strategic alliance with reform" in Russia. Yet not only can America not be sure that reform will win, it cannot even be sure that the reformers, in winning, will maintain many features of democratic governance. Yeltsin effectively assumed dictatorial powers in October 1993 after beating back the parliamentary challenge to his rule, and few Russians believe subsequent elections will be truly free and fair. It also appears increasingly probable that Russia will need to take extraordinary measures to restore basic conditions of public order. In Marshal Yevgeny Shaposhnikov's July 1993 elaboration of Moscow's new security concept, it was striking how often he mentioned crime as a threat to be addressed by Russia's armed forces.

Whether reform wins or not, America will want to have a strategic relationship with Russia that furthers U.S. security objectives. The real U.S. alliance should be with any group of leaders in Russia that will guide their state in this direction. Democrats in Russia do tend to be more congenial partners for America's leaders and help sustain harmony between American global policies and the popular and congressional backing for those policies. Democratic institutions are also more conducive over the long term to both domestic and international stability. Market reform will make Russia stronger

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in time, and—for the reasons mentioned earlier—a strong Russia can be good for the United States. Yet America got on quite amicably with Czarist Russia during the first century of our republic's history because the two countries shared common strategic interests.[3]

Whether reform wins or not, America will want to have a strategic relationship with Russia.

While Yeltsin was plainly preferable to Rutskoi and Khasbulatov, the political battle has already passed into a new stage. Understanding the current struggle as one against "ex-communists" is no more use than trying to analyze the French revolutionary battle between Robespierre and Danton as a battle involving "ex-monarchists."

Democrats and advocates of greater freedom are often the most strident secular nationalists. The same Jacksonian democrats who wanted to open up American politics and society during the 1820s and 1830s, helping build the modern American nation, were also among the principal authors of the doctrine of America's "manifest destiny" to expand to the West.

The United States government should therefore take care in how it draws political portraits of its idealized Russia. It can, if it is careless, use such broad brush strokes that it becomes boxed in. In a major policy address in March, Secretary Christopher declared that: "The most important point is that Russia must remain a democracy during this period, moving toward a market economy. This is the basis, the only basis, for the U.S.-Russian partnership."[4] More comments like these and Secretary Christopher might have felt even more awkward when he stood up six months later to endorse Yeltsin's extralegal assumption of dictatorial power, including prior restraints on freedom of expression and the press.

Washington should also recognize that, even if economic reform

[3] See Benjamin P. Thomas, *Russo-American Relations 1815-1867*, Baltimore: The Johns Hopkins University Press, 1930; John Lewis Gaddis, *The Long Peace: Inquiries into the History of the Cold War*, New York: Oxford University Press, 1987, pp. 4-6.

[4] Address before the Chicago Council on Foreign Relations, the Executives' Club of Chicago, and the Mid-America Committee, March 22, 1993, in *Department of State Dispatch*, March 29, 1993, p. 175.

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succeeds, it is no guarantee of political stability. England in the 1640s, France in the 1780s and Iran in the 1970s all experienced rapid economic growth. Critical in these cases were the social forces unleashed by economic transformation, placing insupportable demands on governmental institutions and fiscal structures. What we know about the history and sociology of revolutionary movements implies that the revolutionary flood in Russia has not crested. It is still rising.

In the period of turmoil ahead, Washington's real alliance should be with America's "friends" rather than with the internal cause of reform. America cannot dictate the outcome of Russia's internal debates. Russians will choose the government and society they wish to live in. And America will want to seek an enduring, positive relationship with Russia regardless of how Russians choose to be ruled.

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Wrong Turn in Somalia

John R. Bolton

FUNDAMENTAL DIVERGENCE FROM BUSH

SINCE THE END of the Persian Gulf War, pressure has mounted to involve the United Nations in a growing number of countries that are experiencing internal civil strife. Somalia is the paradigm case. It is therefore extremely important to clarify the historical decision-making record. What President Bush originally decided and what the Clinton administration later did represent fundamentally divergent approaches.

The Bush administration sent U.S. troops into Somalia strictly to clear the relief channels that could avert mass starvation. It resisted U.N. attempts to expand that mission. The Clinton administration, however, set about pioneering "assertive multilateralism" and efforts at nation-building that led to the violence and embarrassment that ultimately ensued. These failures raise larger questions about the United Nations' competence in more ambitious areas of peace enforcement and nation-building, especially without enduring commitments from the United States.

THE INITIAL U.S. RESPONSE

THE LEGITIMATION of U.N. involvement in internal strife evolved as an extension of the duty to preserve international security. The turning point came after the Gulf War, when the U.N. Security

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Council adopted Resolution 688 on April 5, 1991. Faced with massive flows of Kurdish refugees from northern Iraq into Turkey and Iran and harsh military assaults against Shiites in southern Iraq, the council acted swiftly. For the first time, the Security Council declared that a member government's repression of its own people, resulting in urgent humanitarian needs, constituted a threat to international peace and security. Resolution 688 condemned the government of Iraq, demanded that it immediately end its repression, insisted that Iraq "allow immediate access by international humanitarian organizations," and requested that the secretary-general pursue humanitarian efforts.

Clearly, large refugee flows with potentially destabilizing effects on Turkey's control over parts of its territory justified the U.N. assessment. This action nonetheless constituted U.N. intervention in an essentially domestic conflict—an area that the text of the U.N. Charter leaves unclear. In an artfully balanced passage, Article 2 provides: "Nothing in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state. . . ." But the charter then goes on to state, "This principle shall not prejudice the application of enforcement measures under Chapter VII." Although ambiguous to say the least, Article 2 implies that an internal dispute must threaten interests outside a country's borders before the Security Council's jurisdiction can be invoked. But the precedent set in Iraq had left the principle of U.N. nonintervention substantially weakened.

Then came Somalia. The Security Council achieved little progress in early and mid-1992 brokering a ceasefire among the warring clans and subclans. General Mohamed Farah Aideed rejected the deployment of peacekeepers (the U.N. Operation in Somalia, or UNOSOM) until fall. By not deploying UNOSOM, the secretary-general followed standard peacekeeping procedures: no "blue helmets" would be deployed unless all parties consented. The result was that the civil war in Somalia continued unabated, humanitarian assistance could not be delivered, thousands of Somalis died of disease and starvation, and the threat to hundreds of thousands more grew daily. So weak was the international presence that Somali gangs freely attacked U.N. facilities, stealing trucks, food, and fuel supplies.

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When a 500-man Pakistani battalion was finally deployed in early October 1992, it was pinned down at the Mogadishu airport. General Aideed later took offense that the United Nations had negotiated with the Hawadle subclan for security at the airport rather than directly with him. Convinced that the United Nations was predisposed against him, Aideed objected to the deployment of 3,000 additional peacekeepers authorized by Security Council Resolution 775. Fighting throughout Somalia led other troop contributors, such as Canada and Belgium, to defer sending their forces since there was obviously no peace to keep. (Earlier in 1992 a top aide to Aideed had said that if armed U.N. forces were sent in, coffins should be sent as well.)

In November, State Department careerists argued for dispatching a major U.N. military force—including American troops—to Somalia to distribute humanitarian assistance directly. The Pentagon proposed that a U.S.-led coalition outside of the United Nations distribute aid, the expectation being that the United Nations would replace U.S. forces after a very short time. On November 25 President Bush approved this option, provided that the secretary-general also agreed.

That afternoon, the Security Council had met to consider a very pessimistic report on Somalia. The secretary-general wrote that "the situation is not improving" and that conditions were so bad that it would be "exceedingly difficult" for the United Nations' existing operation in Somalia to achieve its objectives. "[I]t may become necessary," the report said, "to review the basic premises and principles of the United Nations effort in Somalia"—a thinly veiled reference to a complete withdrawal of U.N. personnel.

Against this foreboding backdrop, Acting Secretary of State Lawrence S. Eagleburger presented the Bush plan to Boutros-Ghali. The United States was prepared to deploy up to 30,000 troops (including troops from other nations) to secure key ports, airports, roads and aid distribution centers in central and southern Somalia. This carefully circumscribed mission was intended to stabilize the military situation only to the extent needed to avert mass starvation, and the United States expected to hand the matter back to the United Nations in three to four months. What the United States was proposing was more than sending in several hundred trucks and drivers to

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distribute aid, but less than pacification and occupation. The United States would conduct the mission peacefully but was prepared to use "harsh" force if necessary to prevent interference with its objectives. Eagleburger stressed that the United States would not proceed if the secretary-general opposed the plan.

Boutros-Ghali asked whether the U.S. deployment would be a U.N. operation or under American command. Eagleburger responded unequivocally that the United States would command. Boutros-Ghali then asked what would happen after President Clinton's inauguration on January 20, 1993. Eagleburger stressed that the United States was prepared to proceed now; if Clinton disagreed, all American forces would be withdrawn by January 19. Boutros-Ghali was positive about the plan, saying "such a force could obtain stability very quickly. I know Somalia. I have been there many times."

There was no consideration of disarming the various Somali factions. There was no discussion of a U.S. presence in the northern secessionist region of "Somaliland." Finally, there was no mention whatever of "nation-building." President Bush authorized and Eagleburger proposed to the secretary-general an American-led operation limited in mandate, time, and geographical scope.

ENTER THE UNITED NATIONS

AFTER A THANKSGIVING weekend of intense activity, on November 29 the secretary-general offered the Security Council five options on "how to create conditions for the uninterrupted delivery of relief supplies to the starving people of Somalia." The first three options were to intensify efforts to deploy UNOSOM fully under existing U.N. rules of engagement, to withdraw all UNOSOM military elements and let the humanitarian agencies make the best deals possible with the warlords, or to have UNOSOM mount a show of force in Mogadishu to convince the warlords to take the U.N. effort seriously. Boutros-Ghali discounted these options.

The secretary-general's fourth option was essentially the American proposal of a U.N.-authorized action of member states, although he expanded it into a nationwide "enforcement operation." The

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enabling resolution he suggested would give authorization for only "a specific period of time," and only in order to "resolve the immediate security problem." The fifth option—and the secretary-general's explicit preference—was "a countrywide enforcement operation to be carried out under United Nations command and control."

Reactions to the American proposal and the secretary-general's letter were sometimes confused, but the permanent members of the Security Council moved swiftly to draft a resolution authorizing the American operation. During this week, for the first time, the secretariat began urging that the coalition essentially disarm the Somali factions before handing the operation back to the United Nations. The United States declined to make any such commitment. Thus, the Security Council unanimously adopted Resolution 794 on December 3, 1992, reflecting the approach Eagleburger originally proposed. The preamble said the Security Council's goal was to establish "as soon as possible the necessary conditions for the delivery of humanitarian assistance." To accomplish this, the Security Council drew upon Chapter VII of the charter, authorizing the participating states to use "all necessary means." Fully intending the coalition military effort to be brief, the Security Council requested the secretary-general to submit a plan within 15 days for turning the operation over to the United Nations.

When the secretariat urged that the coalition disarm the Somalis, the United States declined.

The next day, President Bush wrote to the secretary-general: "I want to emphasize that the mission of the coalition is limited and specific: to create security conditions which will permit the feeding of the starving Somali people and allow the transfer of this security function to the U.N. peacekeeping force." The president also wrote that U.S. "objectives can, and should, be met in the near term. As soon as they are, the coalition force will depart from Somalia, transferring its security function to your U.N. peacekeeping force." The U.S. position, in both the council's resolution and the president's letter, was clear.

American forces entered Somalia on December 9. Later that day, however, the secretary-general told a delegation from Washington sent to brief the secretariat that he wanted the coalition not only to

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disarm all of the Somali factions, but also to defuse all mines in the country (most mines were in the secessionist north), set up a civil administration and begin training civilian police. The secretary-general also conveyed these ideas in a letter to President Bush. While the United States had contemplated some disarming to protect its troops, the secretary-general clearly had far more ambitious plans. Adding these new tasks would undoubtedly mean lengthening the U.S. stay in Somalia, thus delaying a handoff to U.N. peacekeepers.

Within days, numerous press stories revealed a growing rift between Washington and the United Nations. Secretariat officials were apparently concerned about the policy of the incoming Clinton administration toward Somalia. In a meeting with the secretary-general on December 22, Secretary Eagleburger reiterated that the United States saw its mission as very limited, and he stated a desire to work cooperatively with the secretariat to facilitate the hand-over to "UNOSOM II." When the hand-over took place, he said, the United States was prepared to entertain specific requests for logistical support, but that was all.

As in the first meeting between Eagleburger and Boutros-Ghali, what was not discussed is as important as what was discussed. Again, no discussion of nation-building or anything remotely like it took place. There was considerable conversation about what UNOSOM II would actually look like. The secretariat foresaw something very like a traditional, small-scale U.N. peacekeeping operation. Department of Defense officials believed that such an approach would not work and wanted a much more muscular operation. This dispute was largely a clash between the military cultures of the United Nations and the Pentagon. The point, however, is that both sides were trying to define UNOSOM II so that the hand-over could proceed as swiftly and efficiently as possible. The United States was not discussing extending its mandate either in scope or in time.

As the Bush administration came to a close, humanitarian assistance was regularly flowing to critical areas. Mediation efforts were progressing, with all major factions agreeing to a conference on national reconciliation in mid-March. U.S. forces were already withdrawing, replaced by troops from other nations. Many of these nations would automatically become part of UNOSOM II when the

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handoff took place. Thus, by January 20, while Somalia was by no means solved, the original plan and schedule were still on track.

THE CLINTON ADMINISTRATION SHIFTS

THE CLINTON ADMINISTRATION entered office determined to concentrate on domestic policy, but it had also campaigned for a foreign policy that became known as "assertive multilateralism." Nonetheless, in its early days, the new administration continued to press the United Nations for a rapid hand-over to UNOSOM II, although some advocated that a substantial U.S. logistical presence remain. They were still skeptical that the United Nations was up to the job—continuing evidence of the clash of military cultures between the Pentagon and the secretariat. By late February, fighting among the Somali factions and with the international force led some U.S. officials to believe an even larger American contingent needed to remain to assist the United Nations.

These were the first signs that the original plan—to be out within three or four months—was changing. The real shift, however, came on March 26, when the Security Council adopted Resolution 814, largely because of American pressure. The resolution called on the secretary-general's special representative "to assume responsibility for the consolidation, expansion, and maintenance of a secure environment throughout Somalia." The resolution also requested that the secretary-general seek financing for "the rehabilitation of the political institutions and economy of Somalia." The new U.S. Permanent Representative to the United Nations, Madeleine K. Albright, said unequivocally, "With this resolution, we will embark on an unprecedented enterprise aimed at nothing less than the restoration of an entire country as a proud, functioning and viable member of the community of nations." Not only did the Clinton administration endorse "nation-building" in Resolution 814, it contemplated that 8,000 American logistical troops would remain, along with a 1,000-man quick-reaction force, a major change from the original idea of essentially complete withdrawal. The initial cost now was estimated at $800 million, of which the United States would be assessed just under

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a third. There was little or no consultation with Congress about this major change in direction, and very little press reporting. The actual hand-over to UNOSOM II dragged on until May 4.

Only weeks afterward, violence broke out again in Mogadishu and other parts of Somalia. On June 5, forces believed to be under the command of General Aideed attacked UNOSOM II, killing at least 23 Pakistani peacekeepers and wounding scores more. Acting swiftly, the Security Council adopted Resolution 837 on June 6, authorizing the arrest of Aideed and others responsible for the attack. U.S. combat forces returned to strike positions believed to be held by Aideed followers. There was again little or no consultation with Congress.

These two resolutions, coming in the early days of the Clinton administration, marked a pronounced shift in American policy. This was not simply "mission creep" into another international quagmire, but a deliberate experiment in "assertive multilateralism." Now the United States had done more than commit itself to the vague and expansive language of the "nation-building" resolution. Through Admiral Jonathan Howe, the American serving as the secretary-general's new special representative—a strong advocate of punitive action against Aideed—the United Nations had effectively taken sides against Aideed in retaliation for the ambush of the Pakistani peacekeepers, thus making it simply another armed Somali faction. The

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United Nations lost its role as an honest broker by militarily opposing Aideed. Nation-building was to be complicated enough, but the U.N.-U.S. force was now going to have to attempt that project under combat conditions, at least in Mogadishu. Nonetheless, Admiral Howe remained confident; he was quoted in *Newsweek* on July 12 saying, "We're going to do the job, and the rest of the country will follow."

Military operations continued throughout the summer, sometimes directed against civilians, usually accompanied by statements about Aideed's forces having been badly damaged. Now, however, members of Congress began to stir; Senate President pro tem Robert C. Byrd (D-W.Va.) called for the withdrawal of American forces, referring specifically to President Bush's plan for only a very brief American humanitarian mission. U.S. and U.N. casualties mounted, and Aideed remained at large. More U.S. forces were committed, including elite Ranger units.

Two U.N. resolutions in the early days of the Clinton administration marked a deliberate experiment in "assertive multilateralism."

Despite these problems, the Clinton administration held steadfast to its broad policy objectives. In a major address on August 27, Secretary of Defense Les Aspin said: "We went there to save a people, and we succeeded. We are staying there now to help those same people rebuild their nation." He added, "President Clinton has given us clear direction to stay the course with other nations to help Somalia," thus removing any earlier doubts that the president was not fully engaged with his administration's policy.

"Stay the course" is exactly what the administration did, despite the parade of headlines announcing new casualties and growing, bipartisan congressional concerns. In the single most compelling piece of evidence of its continued commitment to its redefinition of the mission, the administration pushed the Security Council to adopt Resolution 865 on September 22, effectively locking in a "nation-building" U.N. presence in Somalia until at least 1995. That resolution reaffirmed the Security Council's endorsement of continuing "the process of national reconciliation and political settlement" begun earlier. The resolution stressed that the highest priority for UNOSOM

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II was to assist "in the furtherance of the national reconciliation process and to promote and advance the re-establishment of regional and national institutions and civil administration in the entire country" as outlined in the original "nation-building" resolution, 814. Three days later, Somali militiamen shot down a Black Hawk helicopter, killing three Americans. All of these events were taking place in the context of confused administration efforts (culminating in the president's September 27 speech to the General Assembly) to articulate more fully what its larger peacekeeping policies actually were.

By this point, the White House was clearly worried, but not worried enough to avert the October 3 disaster in which at least 17 Americans were killed, and many more wounded, in a fierce firefight in Mogadishu. One American was taken hostage, and one of his deceased comrades was dragged naked through the capital's streets, appearing in media pictures around the world. This time, bipartisan congressional anger erupted, and the Clinton administration's efforts to defend itself failed. *The Wall Street Journal* reported on October 7 that lawmakers who attended a congressional briefing on October 5 said Secretary Aspin was "confused and contradictory" and that Warren Christopher "sat virtually silent." The administration immediately reached for new options, deciding to double the total American military presence in Somalia and offshore, while announcing the intention to withdraw entirely by March 31, 1994. "Nation-building" had thus become a desperate search for a face-saving American withdrawal, exactly one year after Americans would have departed under President Bush's original plan.

THE LESSONS

CERTAIN KEY JUDGMENTS emerge from the record of the American intervention in Somalia to date:

First, the original, limited mission proposed by President Bush was deliberately and consciously expanded by the Clinton administration. Although incrementalism marks most foreign policy decision-making, the shift in American policy in March and June 1993 was deliberate, and it reflected what Clinton's national security decision-makers

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believed was consistent with the president's broad policy outlines.

Second, the role the Clinton administration envisioned for the United Nations in Somalia was a "peace enforcement" role, akin to the original American-led coalition mandate, rather than a more traditional "peacekeeping" role. Whether the United Nations was ready for such a role is now very much open to question. But more is at stake than the competence of the United Nations. We must now question whether in fact it is sensible to ask the United Nations to engage in peace enforcement when the principal military muscle for such an operation is unable politically to sustain the risks and casualties that peace enforcement necessarily entails. The Clinton policy expanded the U.N. role dramatically but brought the United States to the verge of withdrawing without having seen that larger role through successfully. Many of the same arguments have recently been raised about Clinton administration policy in Bosnia and Haiti. This reflects no credit on the United States.

Third, whatever the real meaning of "assertive multilateralism," that policy died an early death in Somalia. U.S. experience there demonstrates the hard truth that the United Nations works only when the United States leads the organization to a final conclusion. There is no multilateral system with a life and will of its own. There is only leadership by one or more like-minded nations that persuades the United Nations' other members to follow. Within the U.S. system, Congress wants American leadership—whether through the United Nations or otherwise—only where clear American national interests are at stake.

Finally, we must now ask whether a United States-led coalition can truly hand over an operation to the United Nations and then withdraw. A distinct minority within the Bush administration was skeptical of the original American deployment precisely because of concern that it would be much easier to get into Somalia than to get out. The real lesson of the American experience in attempting to relieve the famine in Somalia is that any administration must play out the long-range consequences even of humanitarian decisions because of the complex political and military consequences inevitably entailed. Somalia was the wrong place at the wrong time for the Clinton administration to experiment. The American dead prove that point.

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The Return of Russian History

Dimitri Simes

SERIOUS IMPLICATIONS FOR THE UNITED STATES

IS THE RUSSIAN-SOVIET evil empire coming back? Certainly not yet, but amidst the confusion, there is evidence of an evolution of Russian conduct on both domestic and international issues and the reemergence of some familiar and disturbing themes in Russian history. Taking into account Russia's past and its enormous power—potential, if not actual—Western policymakers would be derelict of their duty to watch the new elements of autocracy and heavy-handedness in Moscow's policies without serious concern. It would be equally dangerous, however, to overstate the case, to focus selectively on those contradictory developments that lend themselves to a more sinister interpretation of events. One thing is certain. The bloody demise of the Congress of People's Deputies on October 4 and the election of the new Federal Assembly on December 12 have created a profoundly different political situation with serious implications for Russian foreign policy and U.S.-Russian relations.

SOMETHING HAD TO CHANGE

BY THE TIME of the October events, it was clear that something had to change. Toward the end of its existence, the Congress of People's Deputies lost all credibility and sense of responsibility. Increas-

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ingly dominated by extremists, it saw its sole mission—except for enjoying the privileges of office—as going after President Boris Yeltsin and his government. It became an obstacle not only to reform, but to effective governance altogether.

Whether the well-known outcome of the stalemate was inevitable is another matter entirely. After all, this was the Congress that elected Yeltsin as its chairman, amended the Russian constitution to enable him to become president, and stood firmly at his side during the attempted coup d'état in August 1991. Most Russian commentators agree that if, in the aftermath of his victory against the junta, Yeltsin had asked the Congress to dissolve itself in order to clear the way for some kind of democratically elected constitutional assembly, the Congress probably would have complied.

At that juncture, Yeltsin had two sensible options. The first was to disband the Congress. It had been elected under the old Soviet system, was more conservative than the president himself and included a great many people who represented nonexistent organs of the Communist Party and Soviet government. The second was to try to develop a constructive partnership between the executive and the legislature. This would have required that Yeltsin make compromises, cut deals and share the responsibility for governance. Instead, Yeltsin opted to keep the Congress in place but to take its compliance for granted, as if he were a communist general secretary dealing with an old-style rubber-stamp Supreme Soviet. Yeltsin also supported the then aggressively loyal Ruslan Khasbulatov in his drive to become the speaker. The expectation was that Khasbulatov would exercise tight control over the parliament in the president's name.

This arrangement worked for several months in the fall of 1991—the Congress even granted Yeltsin emergency authority to introduce economic reforms by decree. However, once the high societal costs of these reforms became apparent, the parliament's subservient attitude changed very quickly. Also, the parliament was angered by the unanticipated consequences of the demise of the Soviet Union. Yeltsin had given his assurance that he would not allow the Soviet state to fracture, but he then contributed to it by entering into the Brest agreement with the leaders of Ukraine and Byelorussia in December 1991, formally replacing the

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U.S.S.R. with the Commonwealth of Independent States.

Yeltsin's initial response to the newly defiant legislature was simply to ignore it. Later, on many occasions, he attempted fairly unsuccessfully to find common ground. But his attempts at compromise were always piecemeal and came in response to specific crises rather than as part of a lasting and systematic effort to build a stable, long-term relationship. Furthermore, Yeltsin rewarded his supporters in the Congress by bringing them into his administration—initially by the dozens, and eventually by the hundreds. This move led to a massive departure of prodemocracy reformers, swinging the balance in the Congress in favor of the communists and nationalists—the "irreconcilable" opposition.

After the April referendum Yeltsin consistently rejected the option of simultaneous elections.

By the spring of 1993, mutual distrust between the president and the Congress had reached the point where reconciliation was impossible. And the April referendum confirmed that the vast majority of Russian citizens felt that it was the Congress that had to go. But was dissolving the Congress the only possible way out of the deadlock? A compromise could have led to simultaneous early elections of both the Congress and the president, which Vice President Aleksandr Rutskoi had been championing for some time. Yeltsin agreed to new elections in March, but the deal he negotiated with Khasbulatov behind closed doors was summarily rejected by the Congress, which was extremely reluctant to vote itself out of existence. Later, after the April referendum changed the political dynamics to Yeltsin's advantage, he himself consistently rejected the option of simultaneous elections even as some of his own advisers argued that the Congress would have no choice but to accept elections under the new circumstances.

As late as September there was no consensus within Yeltsin's inner circle on how to resolve the problem with the Congress. Some of his more radical associates were for the immediate dissolution of the Congress. Other, more cautious voices favored simultaneous elections. Still others argued that the defection to the president's camp of Vice Speaker Nikolai Ryabov, coupled with Khasbulatov's lack of a

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strong constituency in the parliament, made possible an agreement with moderate elements to remove the rebellious speaker and organize parliamentary elections sometime in the spring of 1994. But these more moderate options—articulated by Yeltsin's key legal adviser Yuri Baturin and others concerned about complying with the constitution, if at all possible—were rejected by the Russian president. As Yeltsin later revealed in an interview with Russian television, he had written his September 21 decree by hand a month earlier, secretly tucking it away in his safe to await just the right moment to issue it officially. There is no way of knowing what would have happened if the Russian president had tried harder to find a power-sharing formula with the parliament, but the Congress bears the principal responsibility for the chain of events that led to its ignominious demise.

A MAN ON A TANK TOP?

IN THE END, Yeltsin did what came naturally to him. Throughout his career in Moscow—first under Mikhail Gorbachev, then in the opposition and finally as Russian leader—Yeltsin has been most impressive in dramatic public confrontations. It was by challenging Gorbachev at the October 1987 Central Committee plenum, walking out of the Communist Party Congress in July 1990, and standing on a tank in front of the Moscow White House in August 1991 that Yeltsin made his political career and established his unique chemistry with the Russian people. He was both more successful and more comfortable in the role of a charismatic, decisive hero than in addressing the everyday affairs of governance, building alliances and displaying tactical flexibility.

It is both pointless and unfair to criticize Yeltsin for the leadership style that brought him to the top and that, up to now, has enabled him to preside, on the whole, quite successfully over the historic transition from the totalitarian Soviet empire to the new nonimperial, democratic Russia. But it would be a mistake, looking at the Russian president's record, to assume that his enormous new powers will be used strictly to accelerate radical political and economic reforms while maintaining the stability and unity of his country.

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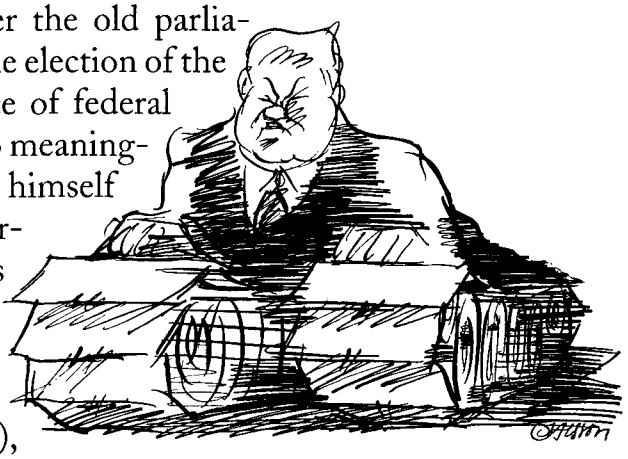

Since his political triumph over the old parliament, Yeltsin has become—until the election of the Federal Assembly—the sole source of federal authority in a Russian state with no meaningful checks and balances. As Yeltsin himself stated in a recent television interview: "My only counterbalance is now my conscience." His decrees have dissolved the parliament, suspended the highest legal body in the land (the Constitutional Court), largely dismantled the system of local governments (the so-called soviets), dismissed those provincial governors—including those who had been popularly elected—who disobeyed his orders, and determined the prerogatives of the new legislature. These prerogatives were incorporated into the new constitution that was prepared under the president's guidance and approved on the December 12 ballot at his direction, the same day Russians voted for the Federal Assembly. Furthermore, it was by decree that Yeltsin established the June presidential elections—which he now seems unlikely to go through with.

Without engaging in futile speculation about the strength of Yeltsin's commitment to democracy and the state of his health, suffice it to say that his country has too much of an authoritarian tradition for comfort. Moreover, the Russian president carries within him too much of the baggage of a party apparatchik, has too long a history of putting loyalty above performance, is surrounded by too many corrupt sycophants and has a record of becoming mysteriously unavailable when his personal presence is of greatest importance. These factors should leave the United States no choice but to base its judgments about Russian politics on criteria other than his ability to stay on top.

AMERICA, SOME DETACHMENT, PLEASE

THE CLINTON ADMINISTRATION took a benign view of Yeltsin's destruction of the parliament, portraying it as a necessary and almost

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commendable step to put an end to hard-line stonewalling on political and economic reforms. That extremist communist and nationalist forces have suffered a devastating blow, at least temporarily, is beyond doubt. The ultimate outcome of Yeltsin's victory is, however, much less certain. Still, at the time of the September 21 dissolution of the Congress of People's Deputies, the Clinton administration was correct in backing Yeltsin since the relationship between the Russian president and the now-defunct parliament was beyond repair. If the Congress had stayed in place, an ever-worsening gridlock between the executive and legislative branches would have resulted. Such gridlock would have not only precluded the implementation of any minimally coherent reforms, but also threatened Russia's unity and stability, possibly leading it to the brink of civil war.

Of the two combatants, Yeltsin was by far the preferable choice from the U.S. perspective. He, much more than Rutskoi and his ally Khasbulatov, favored close cooperation with the West and a relatively benign policy toward the newly independent states. Yeltsin also was in favor of more radical market reforms and, after his victory in the April 1993 referendum, had a stronger mandate than the Congress from the Russian people. In contrast to the Congress, he called for new elections—first for the parliament and then, at a later date, for the presidency. Moreover, taking into account the Russian president's much greater popularity and his control over the military and security services, he had overwhelming chances of coming out on top. Since the Clinton administration had been betting on Yeltsin for many months, it would have been illogical to deny him support in a lopsided power struggle with unattractive and dangerous opponents.

But there is a big difference between supporting the Russian president in his conflict with the forces of Rutskoi and Khasbulatov after the die had been cast—especially after the latter unleashed violent mobs to rampage through Moscow streets and to attack the mayor's office and the Ostankino television station—and claiming, as Secretary of State Warren Christopher did in Moscow 20 days after the shoot-out, that "President Yeltsin is by far the best exponent of democracy and progress and hence the path to stability" in Russia. Blanket endorsements disregard America's foreign policy dilemmas

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PHOTOGRAPH BY SHEPARD SHERBELL, SABA

Will Russia's authoritarian past reemerge?

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in dealing with the emergence of a Russian strongman who has consolidated and increased his power through a gun barrel and, in the process, become indebted (whatever debts mean in politics) to the military and security services. The Clinton administration should clearly define American priorities and evaluate how they correspond with Russian developments.

For the United States, neither Yeltsin's political future nor even the future of Russian democracy should be ends in themselves. What the United States needs most in its greatly weakened but still potentially formidable superpower rival is a combination of domestic stability and a system of checks and balances. Stability is important for a nation with thousands of nuclear weapons and continuing territorial tensions with its newly independent neighbors. Too much disunity in Russia (as appealing as it is to those who "love" that country so much that they would prefer to see several Russias) increases the likelihood of a civil war that could easily engulf most, if not all, of the post-Soviet states, creating not only nuclear and environmental disasters but a grave threat to world peace as well. Thus, it is in the U.S. interest to have a government in Moscow that is strong and determined enough to draw the line and to prevent centrifugal, separatist trends from going out of control.

There is a new cavalier attitude in the Russian president's camp toward its earlier commitments.

Conversely, the more stable the Russian government, the more the United States should be interested in seeing that there are meaningful checks and balances to prevent the reemergence of a unitary authoritarian state. Without such checks and balances, there would be no assurance that Russia would not again become a threat to its neighbors and a destabilizing factor in world politics. The United States has a vested interest in seeing Russian governments rely more on democratic legitimacy than on the support of the military and security services.

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DOMESTIC SCENE: A MIXED BAG

FROM THIS PERSPECTIVE, Russian domestic developments since the October shoot-out and December elections have been a mixed bag. For the first time in months there is a powerful chief executive in Moscow that can make decisions. The so-called subjects of the federation (Russia's republics, regions, provinces and federal cities), which were increasingly going their own way and exploiting the paralysis of authority in Moscow, were quickly reminded by the October events that the federal government and its instructions are to be taken seriously. The new constitution gives the president greater powers than the president of any modern democracy, but it also guarantees basic freedoms and allows the new Federal Assembly to serve as both a partner and a check on executive power. Most nonextremist political parties, the communists included, were allowed to take part in the elections. Moreover, the success of the ultranationalists and communists ironically demonstrates the fairness of that vote. Their success, however, will also make it much more difficult for Yeltsin to continue with meaningful economic reforms.

While the Russian president—relying on the extraordinary powers granted to him in the new constitution—will be able to accomplish much by decree, his ability to stay on a reform course without triggering a confrontation with the Federal Assembly is doubtful. To continue with reforms, Yeltsin may need at a minimum to prevent the emergence of a reactionary majority in the new parliament. This requirement will demand political creativity on Yeltsin's part and compromises, with perhaps even the communists.

Another important factor in Moscow's political environment is the troubling new prominence of the military and security services (the "power ministries"). Despite the fact that police units fled in disarray from violent mobs on October 3, Interior Minister Viktor Yerin was awarded his country's highest military decoration, "Hero of the Russian Federation," lending credence to speculation that perhaps the disorderly retreat of the police was part of some official plan to provoke Rutskoi's and Khasbulatov's supporters to reckless action. In addition, the well-documented, systematic police brutality against

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innocent bystanders, particularly journalists, during the rioting went completely unpunished and uncensured by the authorities.

The Ministry of Security has also scored well of late under a new minister and career KGB officer, Nikolai Golushko, who enjoyed long service in the Fifth Main Directorate, which was responsible for the suppression of dissent. One example of the ministry's new status is Yeltsin's recent approval of Golushko's proposal to form a new division responsible for "the prevention of anti-constitutional activities." Although these bodies exist in a number of democratic nations, including Germany, the organization of such a division under the auspices of former KGB officials has an ominous sound to many Russians.

Unfortunately these are not the only signs. There is also a new cavalier attitude on the part of the Russian president's camp toward its earlier commitments. Provisions regarding the "sovereignty" of the constituent republics were removed from the draft of the constitution despite the republics' intense protests. Yeltsin's commitment to stand for reelection on June 12 has been placed in doubt not only by the December election results but also by the president himself.

At this point, judgments about the direction of Russian political change are premature. The structure of the new Federal Assembly and its relationship with Yeltsin will be critical to determining the course of reform. With ultranationalists and communists scoring surprisingly well, Yeltsin cannot count on a complacent majority. A great deal depends on whether the prodemocracy blocs, radicals and centrists alike, can find common ground against the neo-fascist threat.

The failure of the more radical Russia's Choice to take over the parliament may slow the pace of economic reforms but, from the American point of view, the rate of Russian privatization should be less significant than the rate of building stable democratic institutions. The ability of the new Federal Assembly to assert itself as an independent factor without challenging the basics of reform will be crucial to the development of the Russian political process.

The real threat of militant communist and nationalist forces, although not fatal to reform, proved to be greater than anyone expected. If reforms create significant social dislocation in a country where 37 percent of the population is currently living in poverty—if

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there is a sudden increase in unemployment before adequate social protection mechanisms are in place—the appeal of reactionary politicians and their rhetoric could grow very quickly. Thus a legitimate parliament that is both sensitive to the concerns of the population and a partner in the reform process is necessary to prevent an estrangement between the Russian people and the democratic authorities. Former communists have already come to power in some former Soviet republics—such as Azerbaijan, Georgia and Lithuania—and in Poland as well. With the exception of Azerbaijan, these have been milder, relatively reform-oriented communists. In the Russian case, a returning communist-nationalist alliance would likely speak with a much more aggressive, angry voice.

It could be argued that, under current conditions, an autocratic interlude is necessary to create the preconditions for democratic capitalism in Russia. For such an argument to be credible, it must first be established that Yeltsin had no other options, and that the authoritarian period would be fairly benign and of short duration. In truth, Russia is too vast and too diverse to be ruled with modest authoritarian restrictions and too powerful and nostalgic for its imperial past for anyone to be comfortable seeing it again under a coercive autocratic regime.

RUSSIA ABROAD: VICTOR AND VICTIM

AS FAR AS RUSSIAN FOREIGN POLICY is concerned, a new search is under way to define Russia's national interests, and there is a new willingness to pursue those interests even through force. This unabashed assertiveness, particularly evident in "the near abroad" (the other newly independent states), has alarmed many Western observers who fear the reemergence of Russian imperialism. There is a widening gap between Russian and Western definitions of responsible behavior for Russia in international politics. In the West, there is a strong tendency to view Russia as a defeated superpower that must go through a long period of reflection and redemption akin to that of postwar Germany and Japan. Most Russians, however, have a radically different perspective. They do not perceive Russia as a defeated villain but rather as both the victim of and victor over the Soviet

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empire. As such, they feel that Russia should be embraced and supported by the community of democratic nations. No special restrictions on Moscow's freedom of international action—beyond say, what the United States would be prepared to accept for itself—are considered justified.

In this context, the pendulum has swung from an emphasis on "universal human values" to boasting about the Russian character of the new national security thinking. The former was based on the emotional rejection of the Soviet legacy with its us-against-them mind-set and heavy reliance on military muscle. It emerged at the end of the Gorbachev era, articulated by former Foreign Minister Eduard Shevardnadze, his first deputy Vladimir Petrovsky and Gorbachev's foreign policy assistant Anatoly Chernyaev. This thinking, which was maintained and expanded by Yeltsin's Foreign Minister Andrei Kozyrev (a protégé of Petrovsky) was based on two major assumptions. First, many Soviet problems both at home and abroad were believed to be a function of being on the wrong side of the Cold War. The new Soviet Union and later Russia had to join its natural brethren—the developed democratic nations with whom it shared values, aspirations and long-term interests.

Those who have called themselves "enlightened patriots" have carried the day.

Similarly, when the Soviet Union began to disintegrate, the attitude toward the near abroad was also based on wishful thinking: since all of the new post-Soviet nations had been victimized by the communist regime, they would be able to work together harmoniously, taking each other's interests into account. In addition, there was the clear expectation that Russia, by far the most powerful of the newly independent states, would be accepted eagerly as the first among equals. But it was the West, not the near abroad, that enjoyed the status of the new Russia's number one foreign policy priority. Other former Soviet nations were treated with benign neglect, seemingly considered as neither very promising nor seriously threatening in terms of emerging Russian national security objectives.

The second assumption was that military force could no longer be

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a legitimate instrument of foreign policy. The position was that no important foreign policy—or for that matter, domestic—goals could be accomplished by force emerged in the latter years of the Gorbachev period. Force was widely portrayed as immoral, but also outdated, ineffective and totally inappropriate for the new post-Cold War conditions.

Such attitudes—recently described by Russian Ambassador to Washington Vladimir Lukin as "romantic masochism"—could not last. With the West favorably disposed to Russia but in no hurry to assume responsibility for its new partner; with the other newly independent states looking, more often than not, at Russia as heir to the Soviet Union (Moscow's own grandstanding rhetoric contributed to this image); with the painful breakdown of the extremely interdependent economies of the post-Soviet states; and with 25 million Russians in the near abroad suddenly becoming foreigners and frequently treated as second-class citizens (as in Latvia and Estonia) or exposed to massive violence (as in Central Asia and Transcaucasia), the pendulum of national security thinking was bound to swing.

Those who have called themselves "enlightened patriots," to use Lukin's term, have carried the day, although the "unenlightened patriots" of the incongruously named Liberal Democratic Party have registered significant support. As often happens in politics with those who espouse controversial ideas early on, the victory of the "enlightened patriots" argument did not advance their own careers. On the contrary, the personal standing of their nemesis Foreign Minister Kozyrev has, if anything, improved. But he speaks with a somewhat different, more confident and more unapologetically Russian-centered voice. In a dramatic December 1992 speech before the Conference on Security and Cooperation in Europe, Kozyrev intentionally shocked the audience with his hard-line pronouncements designed to demonstrate what would happen if the reactionaries took over in Russia. The reactionaries were defeated in the course of Moscow's bloody October, but Kozyrev's recent statements about "special responsibility devolving on Russia in the Eurasian geopolitical space" and his government's intent "to toughly uphold the interests of the Russian-speaking population and stand up for them wherever that might be"

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are reminiscent of what, less than a year earlier in Stockholm, he attributed to his hard-line opponents.[1]

In contrast to his earlier emphasis on "universal human values," Kozyrev now—while welcoming partnership with the West—reminds the West of Russia's "special interests, different from Western interests and at times even competing." Other senior Russian officials are more blunt. In a press conference, Security Council Deputy Secretary Valery Manilov proudly stressed that the newly adopted military doctrine is "characteristic of Russia as a great power occupying one-sixth of the world's land space and in whose territory lives a unique great Russian multinational people . . . which has its own Russian interests." And Yeltsin himself hardly reassures neighboring countries by announcing in a Russian television interview that, among all historical figures, the one that comes closest to his role model is Peter the Great, founding father of the Russian empire.

Rhetoric aside, there is a demonstrable new readiness to use Russian forces stationed in the near abroad to pursue foreign policy objectives, a greater willingness to employ techniques of "divide and conquer" to assure the victory of local leaders that Russia favors and to exert economic leverage to force weaker neighbors to follow Russian preferences.

What is still uncertain is exactly how far these trends will advance before the pendulum swings back. To date, Russia's conduct is behavior not so unusual for great powers in their own backyard. Leaders of the newly independent states have a tendency to see a Russian hand behind all their difficulties. Russia—like the United States in Latin America—frequently becomes a scapegoat for problems not of its own making. In policing the Tajik border with Afghanistan, Moscow's only defensible border between Afghanistan and Russia itself, the Yeltsin government acts at the request of not only the local government but all the other Central Asian nations with whom it has mutual security agreements. In Georgia, beyond local commanders' sale of weapons to Abkhaz separatists, no Russian meddling is documented. After accusing Moscow of destabilizing his country, the besieged Georgian leader, Eduard Shevardnadze, himself appealed to

[1] *The Washington Post*, October 10, 1993; *Foreign Ministry Briefing*, November 22, 1993.

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Moscow to provide troops to defend his regime. In Azerbaijan, although Russia has reasons to welcome the victory of former party boss Geidar Aliyev over anti-Russian nationalists, there is no indication of direct intervention by Moscow.

At least until the October events, Yeltsin was not in full control of either his military or his country. He probably was not in a position, for example, to prevent Muslim volunteers from the Northern Caucasus from joining Abkhaz forces. Many of them came from Chechnya, which has proclaimed its full independence from Russia. In other cases, like the role of Russia's 14th Army in the Dniester enclave in Moldova, the Russian president had a greater say in the conduct of his troops who were supporting local separatists. He was certainly not forced to give a second star to General Aleksandr Lebed, flamboyant commander of the 14th Army. But taking too strict a line with people like Lebed could cost Yeltsin dearly in terms of support among the military—support that proved to be crucial to him during the October events.

FEW WANT TO TURN BACK THE CLOCK

MOST INDIGNANT CRITICS of Russian neo-imperialism sound remarkably divorced from the specific circumstances in the post-Soviet regions. They seem to ignore the monumental role played by Yeltsin's government in destroying the Soviet empire. They disregard the fact that the Commonwealth of Independent States—which was formed to provide a mutually agreed upon formula for gradual, amicable separation—proved to be a stillborn child, forcing the Soviet successor states to rely on their own individual efforts to protect their national interests. They fail to acknowledge that, in contrast to the Serbian leadership, the Yeltsin team voluntarily accepted the inviolability of borders between the newly independent nations, rejected Rutskoi's appeals to mobilize Russians in the near abroad as Moscow's fifth column and instead demanded only that their basic human rights be observed. Calling Russian conduct neo-imperialist is at best a gross oversimplification considering that Russia, in this case, is dealing with nations that only two years before had belonged

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to the same state, had for the most part shared centuries of common history, and are today separated by borders that very often reflect the arbitrary decisions of past communist rulers rather than tradition, economic conditions or demographics.

Still, Moscow's record vis-à-vis its new neighbors is far from spotless. And while memories of its communist imperial past are still very fresh, Russia's new action as an assertive, and not terribly scrupulous, great power is bound to be unnerving to its neighbors and to many in the West. Yet despite the unexpected support for Vladimir Zhirinovskii's appeals to Russian nostalgia for the stability and power of the former empire, relatively few Russians truly want to turn back the clock. Even fewer, and certainly none in Yeltsin's inner circle, would want to make rebuilding the empire a practical foreign policy objective. Even military commanders—not unlike their compatriots in the United States—appear reluctant to accept risky military missions outside Russian borders.

Illusions about the new Russia are dangerous to America. And tough dialogue with Moscow about its foreign policy conduct is essential. What is unnecessary and counterproductive is to respond to the swings of the Russian pendulum with a zigzag policy of our own—from overstating commonality of interests to confusing great power assertiveness with new imperialism.

The distinction between traditional great power assertiveness and neo-imperialism has an operational meaning. The latter would be a clear threat to European stability, in which the United States has an important stake. The former is a disturbing pattern, particularly in view of the Russian imperial legacy but, unless carried too far, it is not a serious challenge requiring the United States to take security precautions against Russia. The art of statesmanship is to find the right balance between turning a blind eye to Russian imperial revival and making this revival a self-fulfilling prophecy by indicting and isolating Russia without sufficient reason.

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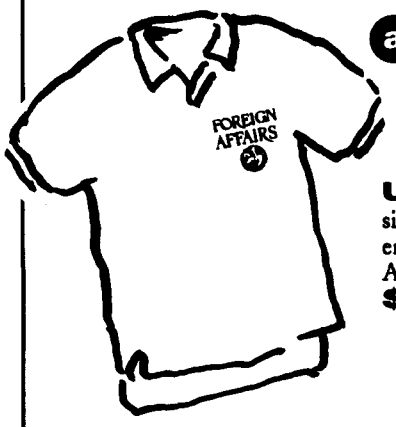

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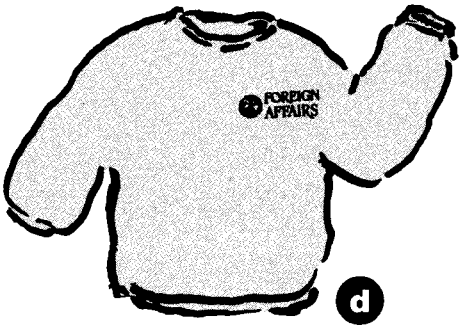

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Russia Turns the Corner

Stephen Sestanovich

TAKING WEIMAR SERIOUSLY

DRUG DEALERS, GANGSTERS, flagrantly corrupt bureaucrats, destitute pensioners, an embittered intellectual class—it is sorry figures like these who increasingly shape our image of Russia. Together, they are thought to have made the recent electoral victory of Vladimir Zhirinovsky and his neofascist party almost inevitable. They give weight, moreover, to forecasts of grimmer things—unappeasable popular anger, the collapse of public order and eventually dictatorship.

New democracies in danger always call forth comparisons with the doomed Weimar Republic, and there is no denying that the analogy is useful for thinking about Russia's prospects. But, it is only useful if we take the similarities, and differences, seriously enough. The Weimar record teaches more than the lesson that well-organized, charismatic thugs can feed on social distress. It is a reminder to look at political fundamentals and beyond the mood of the moment to the institutions, interest groups and issues that define the new regime.

Over the long term, Russians have to create what they call a "rule of law" state, based on legal norms consistently applied. Without progress in this direction (and Boris Yeltsin's new constitution is a major step forward), any democracy remains precarious. Yet here again the Weimar analogy can keep us from too narrow a focus. Germany in the 1920s was both a *Rechsstaat* and a highly vulnerable

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democracy, and its fatal weaknesses suggest how Russia, too, could lose its way. German generals endured civilian rule, but they adapted to it little and identified with it less; the industrialists who had produced decades of rapid economic growth under the Kaiser saw their achievements threatened in the Weimar years; worst of all, fascist ideologues were able to say that liberalism was a by-product of national defeat and could never restore German greatness.

If Russian democracy is to take hold, it must succeed where the Weimar Republic failed. It must build support among crucial constituencies and neutralize issues that could be its undoing. Three tests of success stand out. The first concerns the armed forces: Do those who control the instruments of coercion accept the new order? The second test has to do with economic transformation: What is the political balance of power between those who want to hang on to remnants of the command economy and those who expect to do well in the market? Finally, there is the problem of legitimacy: Does the new regime embody traditional patriotic values, or are its domestic and foreign policies seen as a threat to national identity and pride?

Russian democracy has to defend and define itself in these three areas—the politics of force, the politics of money and the politics of patriotism. These were the crucial battles that the Weimar Republic lost. By contrast, Russia's democrats have begun to win them. Their progress does not mean that the danger of fascism can be ignored; the December elections allow no such complacency. But the political achievements of the past year mean the new regime that the fascists want to destroy has put itself on a more secure footing. It goes into the battle stronger than many think.

THE POLITICS OF FORCE

TO MANY OBSERVERS, post-communist civil-military relations pose a dilemma from which democratic leaders cannot escape: they are damned if they rely on the army and damned if they do not. The past year has vividly illustrated both halves of this problem. In December 1992, when Yeltsin made his first open challenge to the parliament, by calling unexpectedly for a referendum to test popular

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confidence in the executive and legislative branches, he was forced to back down almost at once—not least because the military immediately expressed its neutrality, which was universally read as a sign of opposition. Yet when Russian Defense Minister Pavel Grachev abandoned his neutral pose and ordered tanks to the White House, the question raised by many analysts was whether Yeltsin could ever extricate himself from his deal with the devil.

This is the wrong way to look at the military's decision to take sides. What happened in the past year was not the slow emergence of a deal with Yeltsin, but something far more important—the growing realization within the high command that its own fate is inseparable from that of Russian democracy. This is still a provisional result, but the fact that it occurred at all—particularly in light of the anti-democratic leanings of many generals—is extremely important for understanding where Russia is headed over the next five years.

The Russian military high command has slowly come to realize that its fate is inseparable from that of Russian democracy.

How did it happen? Part of the answer is that there is hardly any institution of the new Russia under more acute stress than the army, and Yeltsin has been prepared to make a great many concessions to the military—from pay, perks and promotions to the interpretation of arms control treaties. Marginal inducements of this kind matter (Grachev was quoted not long ago as saying that the generals would "fight" for their dachas), but bribes alone cannot make the armed forces an ally of Russian democracy. Perhaps the single most important factor in fixing the high command's pro-Yeltsin orientation has been, ironically enough, the strong latent opposition to him in military ranks.

For all their rhetoric about neutrality, a great many officers became active in Russian politics in the late 1980s and early 1990s, and the vast majority of them were anti-Yeltsin extremists. They ranged from the organizer of the hypernationalist Officers' Assembly, Colonel Stanislav Terekhov, a proponent of a loony foreigners-are-brainwashing-us theory of Western subversion, to Vice President Aleksandr Rutskoi, whose challenge to Yeltsin was especially omi-

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PHOTOGRAPH BY RON HAVIV, SABA

Ready to serve democracy?

nous because, as an Afghan war hero and serving general, he was thought to have a large residual following in the armed forces.

The conservatives' attempt to find supporters in the military meant that they posed a completely different threat to the army from that posed by liberals. Yes, the Yeltsin government's program of economic shock therapy meant privation for officers and their troops, but conservative politicians were actually trying to split the military as an institution. As early as last spring, General Grachev complained angrily to parliament about the support it provided for meetings of the Officers' Assembly, offering a platform for the group's wild calls "to use force and man the barricades." Said Grachev:

> Is that really constitutional? Is that really just? Is that really within the framework of the laws which state that the army is outside politics and should not get involved?

Saying he had raised this problem before without getting any help from legislators, the defense minister called on parliament to back a

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crackdown on political agitation within the military.

In making such an appeal, of course, Grachev knew that he had no chance of getting the support he wanted. Yeltsin's opponents could not afford to encourage military discipline. To succeed, Rutskoi and then-Chairman of the Supreme Soviet Ruslan Khasbulatov needed to break the military apart; it was Yeltsin who was trying to keep it together. As a result, steering a neutral course between the president and parliament became less and less viable for Grachev. Such a stance merely created the conditions for drawing the army deeper into politics.

Against this background, the high command's support for Yeltsin during the confrontation of September and October 1993 was barely a matter of choice. On the first full day of the crisis, Grachev said that he and his colleagues were "appalled" that parliament had appointed General Vladislav Achalov as its own defense minister—a move, he warned, designed to set soldiers against each other in battle. As the army's newspaper editorialized when the uprising was over, the survival of the military depended on preserving unity of command:

> If the Army, despite everything, maintains its unity, controllability and stability it becomes in itself a factor of colossal stabilizing force for all society. However, if it does not hold firm, allows itself to be split, or starts living not on the principle of a "single order," but of two, three or ten orders, then it is no longer the Army but simply "matériel"—"cannon fodder" for a civil war.[1]

The generals acted against the conservative-nationalist insurrection not as part of a deal, or because Grachev saw that he too would go down if Yeltsin fell, or even because there was a threat to public order that the police could not handle by themselves. The military leadership, for all practical purposes, had made its choice before the crisis, and its support for the government was based on the strongest of instincts—institutional self-preservation. It is no small matter for Russian democracy that the generals see their survival this way.

There has, of course, been another threat to the integrity of the military: economic necessity has obliged many units to fend for themselves, to negotiate their upkeep with local politicians, enterprise

[1] *Krasnaya Zvezda*, October 16, 1993, p. 1.

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directors and farm managers. Extrapolate this trend into the future a few years, and it is not hard to conjure up military formations independent of headquarters, serving regional rather than national interests; in a word, warlordism. But extrapolation of this kind misses the time-bound sources of today's problems, many of which will not recur. Above all, the resolution of the standoff between president and parliament puts most political problems in a new context. It has not ended the economic crisis that subjects military units in the provinces to so much stress, but it means that they will no longer receive political protection from those in Moscow who see them as a lever to bring down the government.

The high command now clearly has a freer hand to do what it has wanted to do for some time—tighten discipline in the ranks. Grachev knows, for example, that the Officer's Assembly and similar opposition groups are much better organized in the country at large than they are in Moscow, and he will try to curtail their activities. He is in fact likely to be far less patient with all kinds of political activity and agitation in the armed forces. This is why, breaking with the practice of recent years, senior officers now say that being a politician is incompatible with being a soldier; those who run for office will be suspended from their military duties. In looking ahead to the state of Russia's armed forces five years from now, this trend toward a stricter separation of military and political roles is the right one to extrapolate.

Admittedly, a military establishment that has restored its internal unity may be better able to advance its own interests in the political system as a whole. For some time to come, Russia's leaders will feel the need (in the words of one senior minister) to "give something to the generals." The army's ability to get its way on major issues carries with it any number of problems for a government trying to maintain a stable fiscal policy and shrink the size of the defense industry. But as long as the army operates basically as an interest group, rather than as an alternative government, the threat to democracy is limited. The military men who wanted to create an alternative government lost what may prove to have been the deciding round at the White House on October 4.

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THE POLITICS OF MONEY

RUSSIAN DEMOCRACY FACES no task more difficult than remaking the economy bequeathed it by Soviet central planners. This is the second test for evaluating the consolidation of the new regime. In purely economic terms, last year's results were only slightly better than those of 1992. Yet the broader political question that concerns us cannot be answered by looking at exchange rates and production trends. What matters most is whether the rigors of economic transformation are strengthening those with an illiberal, undemocratic agenda. This worry has not quite disappeared, but it is greatly diminished.

In 1992 the radical economic reforms of Yeltsin and his economic czar, acting Prime Minister Yegor Gaidar, brought into being what seemed like a particularly potent new political opposition group, the Civic Union, which was dominated by members of the old Soviet industrial elite. Its leader, Arkady Volsky, who once oversaw heavy industry for the Central Committee, tried—with real success—to give his group the aura of political inevitability. Claiming to speak for 40 percent of parliamentary deputies, Volsky said the time was past for academic experiments in economic policy; only people who knew the "smell" of factories firsthand could get things back on track.

It was hard to ignore such a challenge, and for much of 1992 Yeltsin and his colleagues explored a possible accommodation with the Civic Union. The idea was always a little dubious (there were simply too many conflicts between its program and the government's), but there seemed no other way to broaden the political base of reform. In 1993, by contrast, a proposal for such a coalition was not even broached. What Yeltsin's government did instead was to co-opt Soviet-style industrial managers without adopting industry's program. Despite fits and starts, the substance of policy has remained basically reformist. The managers—above all, Prime Minister Viktor Chernomyrdin—give the government legitimacy in industrial circles and make it steadily harder for the Civic Union to speak for them.

Volsky's idea was that economic turmoil would force the government to turn to experienced "businessmen" (as he called himself and his associates). But he never faced the conflict between those of his

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supporters who wanted the old economy back and those who expected to flourish in the new. Meanwhile, others better prepared to address this choice began to copy his real innovation—a political lobbying organization. Many groups now proudly claim to speak for the new Russian bourgeoisie and boast of the impact they expect to have on government policy. Perhaps the most important of these is Gaidar's Association of Privatized and Privatizing Enterprises, formed last June while he was out of office. Gaidar and other advisers to Yeltsin have turned Volsky's insight around: rather than use the grievances of the old economic elite to slow the pace of change, they want to identify businessmen who have succeeded in the market and make them the spokesmen for reform.

Yeltsin's government co-opted Soviet-style industrial managers without adopting their antireform program.

The changing role of the industrial elite was evident in the fall 1993 election campaign, in which one party after another presented itself as the voice of business. There was, of course, a very practical reason for politicians to court entrepreneurs: the campaign's financing rules permitted extremely large corporate contributions.[2] But this motive hardly diminished the significance of the change from a year earlier. In 1992 the "industrial lobby" had shaky democratic credentials; in 1993 the leading parties of business were unimpeachably the parties of reform. There were almost three times as many candidates for parliament from privatized businesses as from state-owned enterprises. In this new setting Volsky's Civic Union lost its central role; it was spurned as an ally even by those, like economist Grigory Yavlinsky, who wanted to tap dissatisfaction with government policy.

Over the past year, as fear of the old guard's revenge subsided, it was replaced by worries about a new form of money politics—the seemingly unrestrained drive for autonomy by Russia's regions. Relations between the central government and the provinces are being thoroughly remade by the creation of a market economy, and the

[2] The rules set a very low cap on party contributions by individuals (30 monthly salaries) but left it high for corporations (20,000 monthly salaries).

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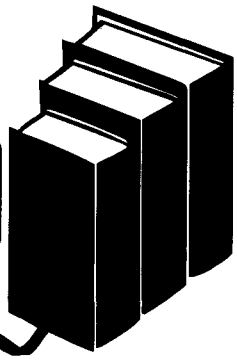

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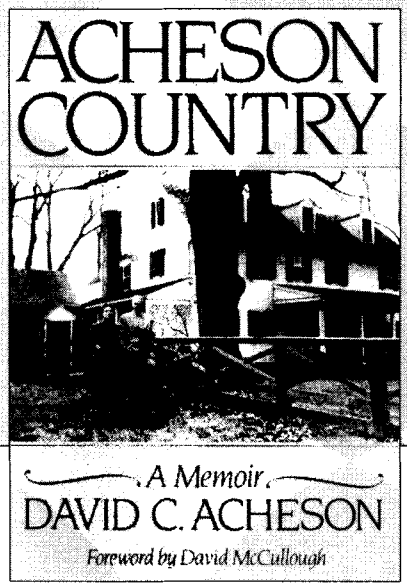

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result will be a far more decentralized system of rule than Russia has ever known (probably more so than most Russians can now imagine). The living standards of the provinces will come to depend more on their natural endowments, populations, infrastructures and so forth than on subsidies, grants and decisions made in Moscow.

What unnerves Russians about this process, apart from its novelty, is the possibility that it might somehow spin out of control, that provincial assertiveness could leave the central government too weak to hold the country together. The conflict that developed last year over the nonpayment of taxes by regional governments was easy to interpret as a sign that matters were getting out of hand. Finance Minister Boris Fedorov, for one, was apocalyptic on the subject. "The state," he said, "is basically finances, money and the budget." A Russia that cannot collect taxes doesn't exist.

Yet Russia's federal tax crisis was much less momentous than it seemed. Like political agitation in the military, it was in part an extension of the conflict between a reformist government and a conservative parliament. The decision (or threat) to withhold taxes was typically made by a regional legislature and, just as typically, overruled or ignored by the regional executive (in most cases an appointee of the president). Yeltsin's deputies charged that the federal parliament was actually egging on its provincial sisters in their mischief, and there was plenty of evidence to support such a view.

Now that the confrontation with parliament is behind them, Yeltsin and his colleagues can deal much more effectively with the problems that it spawned. Although the central government is still being weakened in many ways, it retains major points of leverage over the provinces. As early as September, for example, the Cabinet began to hint about its possible responses to nonpayment of taxes: suspension of financing for federal spending in the territories; revocation of export licenses for strategic raw materials; termination of credits from the central government, including credits for purchases of foodstuffs; and a freeze of cash support for territorial banks.

One of the particular targets of this threat was the republic of Bashkortostan, which was unable to defy the central authorities for long. According to Russian media reports, its 1,700 oil wells were tem-

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porarily shut down, and federal purchases of the republic's oil were suspended. This squeeze soon had its effect. On October 1—before the White House shoot-out—Bashkortostan and the federal government announced an agreement on resumption of tax payments.

The revolts of the enterprise directors and the provinces were caused by economic change, which has fallen well short of expectations. Further tests are ahead, of course, and the one that seems to be next—the structural transformation of heavy industry—could have more dangerous political consequences than anything yet seen. No one really knows what will happen when millions of Russians are thrown out of work. Yet even here—post-communist Russia's biggest undertaking to date—there are reasons to be skeptical of alarmist scenarios.

For one thing, structural transformation is already underway, even without a full-blown government campaign. Industrial employment declined by three million workers in 1993, according to Gaidar, with virtually no effect on the unemployment rate. His explanation: Russia's expanding service sector has picked up the slack.

Second, because joblessness will begin to rise in the near future (no matter how fast services grow), the government knows that it must build a functioning system of unemployment relief. As Gaidar puts it, policy must shift from protecting vulnerable factories to protecting vulnerable people. Such a welfare system would, moreover, immediately ease pressure on the state budget. Finance Minister Fedorov argues that paying unemployment benefits costs only a third of what it takes to keep running factories where the unemployed used to work.

To date, the attitude of the Russian people toward economic reform has been, as Sartre might have had it, that of the crowd waiting to take the bus, not the crowd waiting to take the Bastille. An effective social safety net would go a long way toward solidifying popular support for the Yeltsin government's program. One recent poll found that 84 percent identified inflation as a prime concern; only 30 percent cited unemployment. These numbers are certain to change as more workers lose their jobs, but even unemployment need not threaten the regime if the government shows that it can help people through the transition.

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THE POLITICS OF PATRIOTISM

THE THIRD CHALLENGE that Russian democracy must meet concerns national identity and pride. The country's current troubles evoke centuries-old anxieties about whether Russia has a distinctive mission that can only be served by rejecting Western models. To this long-standing ambivalence, the collapse of the Soviet Union added a psychological jolt that may be felt for years to come. Russia's relations with other former Soviet states—the so-called "near abroad"—will for the foreseeable future be the most important single issue in the politics of patriotism. This patriotism, however, need not pose a threat to the consolidation of democracy; to the contrary, there are already signs that it is losing its emotional charge.

This is not because the opposition has neglected it. For hard-line nationalists, who like to call the Yeltsin government an occupation regime, patriotic appeals are a way of challenging the legitimacy, even the moral fitness, of Russia's new rulers. Democrats, they say, are basically traitors. Both Aleksandr Rutskoi and Ruslan Khasbulatov made increasing use of this theme in their struggle with Yeltsin last summer and fall. Typical was Khasbulatov's charge that democrats consider patriotism inherently antidemocratic. "[H]ow can we not love our own people?" he fulminated to journalists. "I want to see the word patriotism in the newspapers."

Russia's relations with former Soviet states are the single most important issue in the politics of patriotism.

One reason that democrats have sometimes done poorly in the politics of patriotism is that Khasbulatov's claim was not his usual crude invention. Some Russian reformers really do consider patriotism dangerous and repugnant. The leaders of Democratic Russia, the umbrella group that united the anticommunist opposition in the days of Gorbachev, tirelessly repeat their view that democracy and patriotism are incompatible. In taking such a categorical stand, Democratic Russia may well play into the nationalists' hands, but it does not in any sense speak for the current government. Yeltsin himself has long made full use of the rhetoric of national pride and frequently refers to patriotic sentiment as a great national

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resource in rebuilding the country. One of his closest advisers, Vladimir Shumeiko, recently acknowledged that a post-communist regime, like its predecessor, must have its own ideology, and he identified the animating idea of all government policies as the "revival of Russia as a mighty state." For him, there are no contradictions between modernity and tradition: the goal of reform is "a new democratic state that is still Russia all the same."[3]

Another of Yeltsin's deputies has gone still further in trying to appropriate nationalist themes. At the start of the fall campaign, Sergei Shakhrai, expounding the goals of his new party, known as the Party of Russian Unity and Accord, said that an alternative name for the group might be the "All-Russian Conservative Party"—dedicated to preserving the family, traditional morality and so forth. This might be dismissed as simple slogan-mongering but for one fact: in the Russian reformist vocabulary of the past few years, the word "conservative" has been virtually synonymous with "Stalinist." That it can now be dusted off and used without embarrassment by leading democrats like Shakhrai suggests the ongoing normalization of Russian politics.

PATRIOTISM AND THE RUSSIAN PERIPHERY

IN ITS PUBLIC RHETORIC, the Yeltsin government is effectively protecting its patriotic credentials. It has been decisively helped over the past year by the mistakes of the so-called red-brown coalition. Communists and fascists grossly misread the popular mood (which is one of worry, not fanaticism), and by resorting to violence they demonstrated that their brand of patriotism is a formula for civil war.

Yet Yeltsin and his colleagues have had to contend with more than rhetorical challenges on the patriotism front. In the past year Russia has begun to face the practical difficulties involved in creating viable postimperial relations with the other former Soviet states. At issue here is a problem far more complex than whether, as West-

[3] In the same spirit, one campaign commercial of Russia's Choice, the party most closely associated with Yeltsin, showed film clips of soaring military jets with a pop religious tune called "Russia Is Risen" playing in the background.

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ern commentators like to ask, the Russians "accept" the sovereign independence of their new neighbors or want the empire back. For Russian policymakers, the real question is whether the new democratic regime can deal effectively with the problems created for it by the breakup of the U.S.S.R.

If over the next several years these problems seem manageable—close economic ties are restored, no new security threats appear, Russian minorities feel safe—then there is not likely to be any serious revanchist movement in Russia; only extremists will demand the restoration of the Soviet Union's old borders. If, by contrast, the former Soviet states represent a continuing source of turmoil and threats to Russia's own well-being, then there will be a consensus that the country should act to protect itself. Liberals, moreover, will join this consensus. They are not prepared to be advocates of national weakness or chaos.

For now, however, there is no consensus, only ambivalence. The mixed feelings toward all former Soviet states was aptly captured by the columnist who described the dualism of public opinion toward Russia's southern neighbors:

> On the one hand, the consciousness of the average citizen is warmed by the thought that "[the Central Asian nations] will not be able to do without us after all." On the other hand, quite often angry exclamations are heard: "Our people are hungry themselves, and these have to be fed too."[4]

From deeply ambivalent views come deeply ambivalent policies. Responding to the first half of this sentiment—the half that desires some sort of reintegration with the former Soviet states—the government in the past year negotiated an agreement with them on a Russia-dominated economic union and ruble zone, involved Russia more deeply in ethnic conflicts in Tajikistan and Georgia, coaxed Azerbaijan into the Commonwealth of Independent States (CIS), and offered continued energy subsidies to Ukraine as part of a deal on the Black Sea fleet and nuclear missile forces.

This is a generally popular record. The "near abroad" is seen to

[4] *Segodnya*, September 30, 1993, p. 3. The article noted that these complaints were often voiced by nationalists; conservatives opposed to foreign aid are, it seems, a universal type.

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have created a host of new challenges to which Russia cannot respond passively. Foremost among these is the need to protect the position of Russian minorities now living beyond Russia's borders, not least so as to prevent an unmanageable mass exodus back to Russia. Policies of all kinds—from creating the ruble zone to defending the Afghan border against Islamic fundamentalists—are explained in relation to this goal: giving Russians abroad the confidence they need to stay put. Foreign Minister Kozyrev's description of government policy in dealing with the civil war in Tajikistan is applicable to many other issues as well: "We cannot afford to do nothing."

Yet there is a second side to policy toward the "near abroad" that is far more grudging and much less activist and prepared, given Russia's troubles at home, to make sacrifices for what is now foreign policy. Reintegration is simply expensive. Almost all the policies that have been put in place to create "special relationships" with the former Soviet states are criticized as unaffordable. No sooner had agreement been reached on the ruble zone, for example, than senior Russian officials began to express doubts about its destabilizing impact on economic reforms. Russia, said Deputy Prime Minister Aleksandr Shokhin (now a leading member of Shakhrai's "conservative" party), cannot afford to play wet nurse to poor neighbors. Russian negotiators quickly began to impose stricter conditions for monetary union, and the idea receded into the future. Money and patriotism were at odds; money won.

The same choice is evident in other areas as well. With its heavy reliance on export earnings, Russia cannot easily continue subsidizing energy deliveries to other former Soviet states. Yet a sudden cutoff would subject its neighbors to worse economic trials, with uncertain political effects. The result, for now, is a compromise, but one tilted heavily in favor of Russia's own interests: in the first nine months of 1993, oil deliveries to former Soviet states were down 41 percent.

Even security issues are seen in a double perspective. In thinking about the "near abroad," the high command clearly wants to be able to station forces on the territory of other Commonwealth states. Defending the old Soviet border (rather then fortifying the new Russian one) is a familiar and recognized military mission. However, get-

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ting involved in ethnic and communal conflicts is not. General Grachev himself has said that such peacekeeping missions rouse painful memories of Afghanistan. They are, besides, very expensive, and as Yeltsin said at a CIS summit meeting last spring, Russia cannot bear the cost by itself.

Ambivalent policies like these mark the start of a transformation in the politics of patriotism. The problems posed for democracy are real, but not so irreducibly emotional as they appeared in the initial aftermath of the Soviet Union's collapse. At that time, it was impossible to discuss the "near abroad" coolly. There was no common ground between those who believed that preserving the empire was inconsistent with democracy and those who regarded it as a single indissoluble motherland.

Since then, the shock of the empire's collapse has begun to wear off. The reasons for Russia to take an interest in the affairs of its neighbors have become clear to all, but so have the problems raised by such involvement. A new, more practical view of the "near abroad" is emerging, with fundamental implications. If democrats are free to fashion Russia's postimperial role on the basis of costs and benefits, dispassionately weighed, they will have a far better chance of securing the legitimacy of their new regime.

WEIMAR RUSSIA?

TO SAY THAT RUSSIA is solving three problems crucial to the creation of a democratic system does not mean that they will stay solved. The failure of Weimar democracy is an important reminder that a new regime can collapse even after a period of seeming stability. In the middle 1920s, Germany experienced a solid half-decade of economic growth and political normalcy—the kind of record that, were Russia to repeat it in the 1990s, would lead most commentators to declare victory. It was only at the end of the 1920s, with the renewal of economic crisis, that it became clear how ill-prepared German democracy was for hard times.

If Russian democracy takes hold and survives until 2005, it will not have lasted any longer than the fragile Weimar Republic—famous as

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the "republic without republicans." The comparison suggests how foolish it would be to argue, at this early date, that Russia can no longer be knocked off its democratic course. Obviously it can be. The question is, how easily? Certainly much of the progress that has been made in the past year would be at risk without Yeltsin. Routine derailments of democracy are, unfortunately, not hard to imagine. In each of the three arenas we have examined, Russia's leaders will face a similar temptation—to finesse their political problems by spending money they don't really have. The generals want big budgets, the old industrial directors want cheap credits, the weak governments of the "near abroad" want cheap oil. In the short run, at least, inflation can be made to seem like a strategy for staving off threats to democracy. In the long run, it will deny Russia the stability it desperately needs. To stay on its feet, Russia needs something like the solid middle years of Weimar.

And yet stability is not by itself the secret of democratic success. Democracies do not succeed merely by hanging on. They have to build new institutions, remake old ones, contend with powerful opponents, answer challenges to their legitimacy. In this light, the recent past has brought both very bad and very good news. It has identified a new and quite frightening enemy of the regime. But it has also marked the waning of other challenges—force, money, patriotism—that not long ago seemed very serious. In the past year, the Yeltsin government has gone a long way toward claiming these resources of power as its own. The struggle is far from over. Yet for all the country's troubles, the disorder of everyday life and the lack of constitutional traditions, it is getting easier to imagine Russian democracy's success.

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Trade Lessons from the World Economy

Peter F. Drucker

ALL ECONOMICS IS INTERNATIONAL

IN RECENT YEARS THE ECONOMIES of all developed nations have been stagnant, yet the world economy has still expanded at a good clip. And it has been growing faster for the past 40 years than at any time since modern economies and the discipline of economics emerged in the eighteenth century. From this seeming paradox there are lessons to be learned, and they are quite different from what practically everyone asserts, whether they be free traders, managed traders or protectionists. Too many economists, politicians and segments of the public treat the external economy as something separate and safely ignored when they make policy for the domestic economy. Contrary lessons emerge from a proper understanding of the profound changes in four areas—the structure of the world economy, the changed meaning of trade and investment, the relationship between world and domestic economies, and the difference between workable and unworkable trade policies.

The segments that comprise the world economy—the flows of money and information on the one hand, and trade and investment on the other—are rapidly merging into one transaction. They increasingly represent different dimensions of cross-border alliances, the strongest integrating force of the world economy. Both of these segments are growing fast. The center of world money

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flows, the London Interbank Market, handles more money in one day than would be needed in many months—perhaps an entire year—to finance the real economy of international trade and investment. Similarly, the trades during one day on the main currency markets of London, New York, Zurich and Tokyo exceed by several orders of magnitude what would be needed to finance the international transactions of the real economy.

Today's money flows are vastly larger than traditional portfolio investments made for the sake of short-term income from dividends and interest. Portfolio money flows were once the stabilizers of the international economy, flowing from countries of low short-term returns to countries of higher short-term returns, thus maintaining an equilibrium. They reacted to a country's financial policy or economic condition. Driven by the expectation of speculative profits, today's world money flows have become the great destabilizers, forcing countries into precipitous interest rate hikes that throttle business activity, or into overnight devaluations that drag a currency below its trade parity or purchasing-power parity, thus generating inflationary pressures. These money flows are a pathological phenomenon. They underline the fact that neither fixed nor flexible foreign exchange rates (the only two known systems) really work. Contemporary money flows do not respond to attempted government restrictions such as taxes on money-flow profits; the trading just moves elsewhere. All that can be done as part of an effective trade policy is to build resistance into the economy against the impact of the flows.

Information flows in the world economy are probably growing faster than any category of transactions in history. Consisting of meetings, software, magazines, books, movies, videos, telecommunications and a host of new technologies, information flows may already exceed money flows in the fees, royalties and profits they generate. Unlike money flows, information flows have benign economic impacts. In fact, few things so stimulate economic growth as the rapid development of information, whether telecommunications, computer data, computer networks or entertainment media. In the United States, information flows—and the goods needed to carry them—have become the largest single source of foreign currency income. But

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just as we do not view medieval cathedrals economically—although they were once Europe's biggest generators of economic activity next to farming, and its biggest nonmilitary employer—information flows have mostly social and cultural impacts. Economic factors like high costs restrain rather than motivate information flows.

The first lesson is that these two significant economic phenomena—money flows and information flows—do not fit into any theory or policy. They are not even transnational; they are nonnational.

WHAT TRADE DEFICIT?

FOR PRACTICALLY EVERYONE international trade means merchandise trade, the import and export of manufactured goods, farm products and raw materials. But international trade is increasingly services trade—little reported and largely unnoticed. The United States has the largest share of the trade in services among developed countries, followed by the United Kingdom. Japan is at the bottom of the list. The services trade of all developed countries are growing fast, and it may equal or overtake their merchandise trade within ten years. Knowledge is the basis of most service exports and imports. As a result, most service trade is based on long term commitments, which makes it—excluding tourism—impervious to foreign exchange fluctuations and changes in labor costs.

Even merchandise trade is no longer confined to the sale and purchase of individual goods. Increasingly it is a relationship in which a transaction is only a shipment and an accounting entry. More and more merchandise trade is becoming "structural" and thereby impervious to short-term (and even long-term) changes in the traditional economic factors. Automobile production is a good example. Plant location decisions by manufacturers and suppliers are made at the time of product design. Until the model is redesigned, say in ten years, the plants and the countries specified in the original design are locked in. There will be change only in the event of a catastrophe such as a war or fire that destroys a plant. Or take the case of a Swiss pharmaceutical company's Irish plant. Rather than sell a product, it ships chemical intermediates to the company's finished-product plants in

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19 countries on both sides of the Atlantic. For this the company charges a "transfer" price, which is a pure accounting convention having as much to do with taxes as with production costs. The traditional factors of production are also largely irrelevant to what might be called "institutional" trade, in which businesses, whether manufacturers or large retailers, buy machinery, equipment and supplies for new plants or stores, wherever located, from the suppliers of their existing plants, that is, those in their home countries.

Markets and knowledge are important in these types of structural and institutional trade decisions; labor costs, capital costs and foreign exchange rates are restraints rather than determinants. More important, neither type of trade is foreign trade, except in a legal sense, even when it is trade across national boundaries. For the individual business—the automobile manufacturer, the Swiss pharmaceutical company, the retailer—these are transactions within its own system.

Accounting for these developments, U.S. trading activity is more or less in balance. The trade deficit bewailed in the media and by public and private officials is in merchandise trade, caused primarily by an appalling waste of petroleum and a steady decline in the volume and prices of farm exports. The services trade account has a large surplus. According to little-read official figures, published every three months, the services trade surplus amounts to two thirds of the merchandise trade deficit. Moreover, government statisticians acknowledge gross underreporting of service exports, perhaps by as much as 50 percent.

THE COMING OF ALLIANCES

TRADITIONAL DIRECT INVESTMENT abroad to start or acquire businesses continues to grow. Since the 1980s direct investment in the United States by Europeans, Japanese, Canadians and Mexicans has grown explosively. But the action is rapidly shifting to alliances such as joint ventures, partnerships, knowledge agreements and outsourcing arrangements. In alliances, investment is secondary, if there is any at all. A recent example is the dividing up of design and production of an advanced microchip between Intel, a U.S.-based microchip *designer*, and Sharp, the Japanese electronics *manufacturer*.

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Both will share the final product. There are alliances between scores of university research labs and businesses—pharmaceutical, electronic, engineering, food processing and computer firms. There are alliances in which organizations outsource support activities; a number of American hospitals, and some in the United Kingdom and Japan, let independent suppliers do their maintenance, housekeeping, billing and data processing, and increasingly let them run the labs and the physical therapy and diagnostic centers. Computer makers now outsource the data processing for their own businesses to contractors like Electronic Data Systems, the company Ross Perot built and sold to General Motors. They are also entering alliances with small, independent software designers. Commercial banks are entering alliances with producers and managers of mutual funds. Small and medium-sized colleges are entering alliances with one another to do paperwork jointly.

More and more, the capital investment in alliances is symbolic. Complementary knowledge is what counts.

Some of these alliances involve substantial capital investment, as in the joint ventures of the 1960s and 1970s between Japanese and U.S. companies to produce American-designed goods in Japan for the Japanese market. But even then the basis of the alliance was not capital but complementary knowledge—technical and manufacturing knowledge supplied by the Americans, marketing knowledge and management supplied by the Japanese. More and more, investment of whatever size is symbolic—a minority share in each other's business is regarded as "bonding" between partners. In many alliances there is no financial relationship between the partners. (There is apparently none between Intel and Sharp.)

Alliances, formal and informal, are becoming the dominant form of economic integration in the world economy. Some major companies, such as Toshiba, the Japanese electronics giant, and Corning Glass, the world's leading maker of high-engineered glass, may each have more than 100 alliances all over the world. Integration in the Common Market is proceeding far more through alliances than through mergers and acquisitions, especially among the middle-sized companies that dominate most European economies. As with struc-

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tural and institutional trade, businesses make little distinction between domestic and foreign partners in their alliances. An alliance creates a relationship in which it does not matter whether one partner speaks Japanese, another English and a third German or Finnish. And while alliances increasingly generate both trade and investment, they are based on neither. They pool knowledge.

THE VITAL LINK

FOR DEVELOPED ECONOMIES, the distinction between the domestic and international economy has ceased to be a reality, however much political, cultural or psychological strength remains in the idea. An unambiguous lesson of the last 40 years is that increased participation in the world economy has become the key to domestic economic growth and prosperity. Since 1950 there has been a close correlation between a country's domestic economic performance and its participation in the world economy. The two major countries whose economies have grown the fastest in the world economy, Japan and South Korea, are also the two countries whose domestic economies have grown the fastest. The same correlation applies to the two European countries that have done best in the world economy in the last 40 years, West Germany and Sweden. The countries that have retreated from the world economy (most notably the United Kingdom) have consistently done worse domestically. In the two major countries that have maintained their participation rate in the world economy within a fairly narrow range—the United States and France—the domestic economy has put in an average performance, neither doing exceptionally well nor suffering persistent malaise and crisis like the United Kingdom.

The same correlation holds true for major segments within a developed economy. In the United States, for instance, services have tremendously increased their world economy participation in the last 15 years; finance, higher education and information are examples. American agriculture, which has consistently shrunk in terms of world economy participation, has been in continual depression and crisis, masked only by ever-growing subsidies.

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Conversely, there is little correlation between economic performance and policies to stimulate the domestic economy. The record shows that a government can harm its domestic economy by driving up inflation. But there is not the slightest evidence that any government policy to stimulate the economy has an impact, whether it be Keynesian, monetarist, supply-side or neoclassical. Contrary to what some economists confidently promised 40 years ago, business cycles have not been abolished. They still operate pretty much the way they have for the past 150 years. No country has been able to escape them. When a government policy to stimulate the economy actually coincided with cyclical recovery (which has been rare), it was by pure coincidence. No one policy shows more such coincidences than any other. And no policy that "worked" in a given country in recession A showed any results when tried again in the same country in recession B or recession C. The evidence not only suggests that government policies to stimulate the economy in the short term are ineffectual but also something far more surprising: they are largely irrelevant. Government, the evidence shows clearly, cannot control the economic weather.

The evidence of the past four decades does show convincingly that participation in the world economy has become the controlling factor in the domestic economic performance of developed countries. For example, a sharp increase in manufacturing and service exports kept the U.S. economy from slipping into deep recession in 1992, and unemployment rates for adult men and women never reached the highs of earlier post-World War II recessions. Similarly, Japan's sharply increased exports have kept its current recession from producing unemployment figures at European levels of eight to ten percent.

WHAT WORKS, WHAT DOES NOT

THE EVIDENCE IS CRYSTAL clear that both advocates of managed trade and conventional free traders are wrong in their prescriptions for economic growth. Japan's industrial policy of attempting to select and support "winning" business sectors is by now a well-known failure. Practically all the industries the Japanese Ministry of International Trade and Industry (MITI) picked—such as supercomputers and

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pharmaceuticals—have been at best also-rans. The Japanese businesses that succeeded, like Sony and the automobile companies, were opposed or ignored by MITI. Trying to pick winners requires a fortune-teller, and the world economy has become far too complex to be outguessed. Japan's economy benefited from a competency—an extraordinary ability to miniaturize products—that was virtually unknown to MITI. Pivotal economic events often take place long before we notice their occurrence. The available data simply do not report important developments such as the growth of the service trade, of structural and institutional trade, of alliances.

Lesson one of the East Asian superstars: stop trying to control the economic weather.

Still, the outstanding overall performance of Japan and other Asian countries cannot be explained away as merely a triumph of conventional free trade. Two common economic policies emerge from a recent World Bank study of eight East Asian "superstars"—Japan, South Korea, Hong Kong, Taiwan, Singapore, Malaysia, Thailand and Indonesia. First, they do not try to manage short-term fluctuations in their domestic economies; they do not try to control the economic weather. Moreover, not one of the East Asian economies took off until it had given up attempts to manage domestic short-term fluctuations. All eight countries focus instead on creating the right economic climate. They keep inflation low. They invest heavily in education and training. They reward savings and investment and penalize consumption. The eight started modernizing their economies at very different times, but once they got going, all have shown similar growth in both their domestic and international economies. Together they now account for 21 percent of the world's manufactured goods exports, versus nine percent 30 years ago. Five percent of their populations live below the poverty line, compared with about 40 percent in 1960, and four of them—Japan, Hong Kong, Taiwan and Singapore—rank among the world's richest countries. Yet the eight are totally different in their culture, history, political systems and tax policies. They range from laissez-faire Hong Kong to interventionist Singapore to statist Indonesia.

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The second major finding of the World Bank study is that these eight countries pursue policies to enhance the competitiveness of their industries in the world economy with only secondary attention to domestic effect. These countries then foster and promote their proven successes in the world economy. Though MITI neither anticipated nor much encouraged Japan's world market successes, the whole Japanese system is geared to running with them. Japan offers its exporters substantial tax benefits and credits, which remain scarce and expensive for domestic businesses, and it deliberately keeps prices and profits high in a protected domestic market in order to generate cash for overseas investment and market penetration.

The same lessons were being taught until recently by the two countries in the West that showed similar growth: West Germany and Sweden. These countries, too, have very different domestic policies. But both created and maintained an economic growth climate, and through the same measures: control of inflation, high investment in education and training, a high savings rate obtained by high taxes on consumption and fairly low taxes on savings and investment. Both also gave priority to the world economy in governmental and business decisions. The moment they forgot this—when the trade unions a few years back began to subordinate Germany's competitive standing to their wage demands, and the Swedes subordinated their industries' competitive standing to ever-larger welfare spending—their domestic economies went into stagnation.

An additional lesson of the world economy is that investment abroad creates jobs at home. In both the 1960s and the 1980s, expanded U.S. business investments overseas spurred rapid domestic job creation. The same correlation held for Japan and Sweden, both of which invested heavily in overseas plants to produce goods for their home markets. In manufacturing—and in many services, such as retailing—investment per worker in the machinery, tools and equipment of a new facility is three to five times annual production. Most of this productive equipment comes from institutional trade (that is, from the home country of the investor), and most of it is produced by high-wage labor. The initial employment generated to get the new facility into production is substantially larger than the annual

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output and employment during its first few years of operation.

The last 40 years also teach that protection does not protect. In fact, the evidence shows quite clearly that protection hastens decline. Less-protected U.S. farm products—soybeans, fruit, beef and poultry—have fared a good deal better on world markets than have the more subsidized traditional crops, such as corn, wheat and cotton. Equally persuasive evidence suggests that the American automobile industry's share of its domestic market went into a precipitous decline as soon as the U.S. government forced the Japanese into "voluntary" export restraints. That protection breeds complacency, inefficiency and cartels has been known since before Adam Smith. The counter-argument has always been that it protects jobs, but the evidence of the last 40 years strongly suggests that it does not even do that.

FREE TRADE IS NOT ENOUGH

THE WORLD ECONOMY HAS BECOME too important for a country not to have a world-economy policy. Managed trade is a delusion of grandeur. Outright protectionism can only do harm, but simply trying to thwart protectionism is not enough. What is needed is a deliberate and active—indeed, aggressive—policy that gives the demands, opportunities and dynamics of the external economy priority over domestic policy demands and problems. For the United States and a number of other countries, it means abandoning ways of thinking that have dominated American economics perhaps since 1933, and certainly since 1945. We still see the demands and opportunities of the world economy as externalities. We usually do not ask whether domestic decisions will hurt American competitiveness, participation and standing in the world economy. The reverse must become the rule: will a proposed domestic move advance American competitiveness and participation in the world economy? The answer to this question determines what are the right domestic economic policy and business decisions. The lessons of the last 40 years teach us that integration is the only basis for an international trade policy that can work, the only way to rapidly revive a domestic economy in turbulence and chronic recession.

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The Mystique of U.S. Air Power

Eliot A. Cohen

WAS THE GULF WAR A REVOLUTION?

AIR POWER IS AN UNUSUALLY seductive form of military strength, in part because, like modern courtship, it appears to offer gratification without commitment. Francis Bacon wrote of command of the sea that he who has it "is at great liberty, and may take as much and as little of the Warre as he will," and a similar belief accounts for air power's attractiveness to those who favor modest uses of force overseas. Statesmen may think that they can use air attacks to engage in hostilities by increments, something ground combat does not permit. Furthermore, it appears that the imminent arrival of so-called nonlethal or disabling technologies may offer an even more appealing prospect: war without casualties.

This rise in air power's stock comes from its success in the Persian Gulf War. In the view of some, that conflict represented the opening shot of a fundamental transformation in the nature of warfare, a "military-technical revolution" as the Russians have termed it for more than a decade. Thus the Russian military sadly read the outcome of

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a war that vindicated their predictions even as it sealed their profound sense of inferiority vis-à-vis the United States. Secretary of Defense Richard Cheney agreed: "This war demonstrated dramatically the new possibilities of what has been called the 'military-technological revolution in warfare.' " Others, outside the Bush administration, expressed this view no less enthusiastically. William Perry, now Deputy Secretary of Defense, wrote in *Foreign Affairs* that "a new class of military systems . . . gave American forces a revolutionary advance in military capability."[1]

The lopsided struggle with Iraq has already affected the way Americans understand modern war, inducing the ornithological miracle of doves becoming hawks. More than one distinguished commentator who had reservations about aerial bombardment in the Persian Gulf expressed a newfound belief in its utility as a tool of American foreign policy in the Balkans. Thus, Anthony Lewis of *The New York Times* wrote during the Persian Gulf War in disgust at the ruin wrought by aerial bombardment, "We should never again tolerate anyone who talks about 'surgical strikes.' " Since then he has developed a keener appreciation of air power, asserting that "a few air strikes in Dubrovnik" would have stopped the Yugoslav horrors in 1991. There is a "straightforward way to apply force" in Bosnia that involves "minimum risk" and provides a course that is not merely right but "clear and doable"—precision air attacks.[2]

Many of these individuals came away from the Persian Gulf War with a far healthier respect for air power, believing it had made all the difference. Indeed it had.[3] Some 52,000 air-to-surface sorties delivered approximately 210,000 unguided bombs, 9,300 guided bombs, 5,400 guided air-to-surface missiles and 2,000 anti-radar missiles; American forces also hurled more than 300 cruise missiles at the enemy. To what effect? Of its 700 aircraft, the Iraqi air force lost 33 in

[1] Department of Defense, *The Conduct of the Persian Gulf War*, Washington: Government Printing Office, 1992, p. 164; William Perry, "Desert Storm and Deterrence," *Foreign Affairs*, Fall 1991, p. 66.

[2] See his columns in *The New York Times*, February 8, 1991; June 14, August 3 and December 7, 1992; and April 12, 1993.

[3] See Thomas A. Keaney and Eliot A. Cohen, *Gulf War Air Power Summary Report*, Washington: Government Printing Office, 1993.

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the air; approximately 140 perished in hardened aircraft shelters and more than 120 were flown to Iran. The Iraqi air defense system succumbed within days—really, hours—to an extremely sophisticated attack, and it managed to shoot down only a tiny fraction of the attacking aircraft. The Iraqi electrical grid, oil refineries and most of the telephone and communications system stopped functioning. The Iraqi ground forces in the Kuwait theater attracted the most attention from coalition air forces. Before the ground war began on February 24, the Republican Guard located in the northern part of the theater had lost nearly a quarter of its armor to air attacks, and frontline units had suffered even heavier losses. Moreover, air power had completely disrupted Iraqi logistics and immobilized the Iraqi army. Aircraft operating around the clock crushed the one attempt by the Iraqis to launch a large-scale operation—the two-division thrust southward that barely got over the Saudi border at the town of Khafji. Although ground action necessarily consummated the final victory for coalition forces, air power had made the final assault as effortless as a wartime operation can be.

If air power advocates are correct, the United States now has a rare and formidable advantage in the technology of conventional warfare.

The Persian Gulf War has an importance that goes beyond its immediate (and considerable) effects on politics there. If the claims of air power advocates are correct, the United States has acquired a military edge over conventional opponents comparable to that exercised in 1898 by the soldiers of Lord Kitchener against the sword-wielding dervishes of the Sudan. The way would lie open to a reorientation of the defense budget toward an air-dominated force structure.[4] Indeed, if air power performed as spectacularly as first appeared in the Persian Gulf, the way to an American-policed world order might look remarkably smooth. Was, then, the Persian Gulf War a major departure in the history of warfare, and does it point the way to unshakable American military preeminence?

[4] Such a possibility seems implicit in Christopher Bowie et. al., *The New Calculus: Analyzing Air Power's Changing Role in Joint Theater Campaigns*, Santa Monica: RAND, 1993.

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TOOLS OF WAR

THE WAR SAW THE FIRST extensive use of some new technologies. The F-117 stealth fighter penetrated the Iraqi radar system safely and secretly. The Joint Surveillance Target Attack Radar System, still undergoing testing, detected Iraqi trucks and tanks along highways in Kuwait, and an array of satellites provided unparalleled support to military commanders for intelligence gathering, map-making, communication, navigation, meteorology and missile-launch detection. Still, the bulk of the work came from much older systems and mundane technologies such as air refueling (which was required for three fifths of all combat missions). Most of the weapons used in the Persian Gulf dated back two decades or more. The airframes of Air Force B-52 and Navy A-6 bombers had seen at least 20 years of active service, although they employed newer electronics. Guided bombs first appeared in the Vietnam War, when American aircraft dropped 4,000 or so on the Vietnamese communists. Even modern, first-line aircraft such as the F-16 have been in use for almost a decade. The "military-technical revolution" sparkled in the new systems, but it drew as much on considerably more mature technologies.

The most profound change in military technology, however, was the vast increase in usable and communicable information. This war saw, for example, the first combat use of the Global Positioning System, which allows units to locate their position in three dimensions by a mere press of a button. (The Gulf War was the last war in which only one side will have this knowledge. The technology for tapping into the GPS is widespread, easy to use and relatively low cost. And even if American operators were to attempt limiting access by degrading the GPS satellite signals, a clever enemy could largely circumvent such spoofing.) Space-based information gathering systems also churn out vast quantities of information, and even a Third World country, for example, can tap into international weather satellites or buy militarily useful commercial imagery from the French satellite imaging system, commonly known as SPOT.

Conventional warfare depends increasingly on the skillful manipulation of electronically transmitted information. The advantage goes

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overwhelmingly to combatants who can bring together information from many sources, updating old databases (e.g., removing from the target list a radar station already destroyed) and acting on perishable information. Countries such as the United States or, to a lesser extent, Israel have enormous and growing advantages in these areas. In the future, the struggle for information may take the place that the contest for geographic position took in the past. But the information explosion does not mean, as a casual observer might think, that war will become more transparent to those who conduct it. Clausewitz's "fog of war" may now descend on the battlefield not so much from a paucity of good information as from a plethora of half-knowledge. A fog it remains, however, and it lay heavily over the Persian Gulf War.

Any editor knows that the advent of the personal computer and facsimile machine has prompted authors to fiddle with articles constantly and to submit them at the very last moment. Similarly, the flood of combat information prompts commanders to change targets or tactics at the last moment. In the Gulf War commanders changed one fifth of all missions during the few hours between the time staffs printed the centralized air tasking order and the time aircraft took off. They made many more changes before the ATO was officially issued and still more after aircraft had left their bases. Sometimes these decisions made sense; other times they did not. In all cases they created great uncertainty among the pilots flying the missions.

Despite the wisdom of proverbs, pictures sometimes lie, or at least deceive. Coalition air planners in Riyadh tried to do their own bomb damage assessment by looking at videotape footage of laser-guided bomb strikes. Lacking time (and, in some cases, experience in photo interpretation), they sometimes misinterpreted what they saw—mistaking an exploding fuel truck or decoy for a mobile missile launcher, for example, or thinking that a bomb bursting on a concrete roof meant that the contents of the building had been destroyed. The short decision times created by modern weapons can also force quick decisions on the basis of electronically gathered information whose ambiguity may not be readily apparent. The shooting down of an Iranian airliner in 1988 by an American naval cruiser is a case in point. Time pressure created by an abundance of data breeds longer-term prob-

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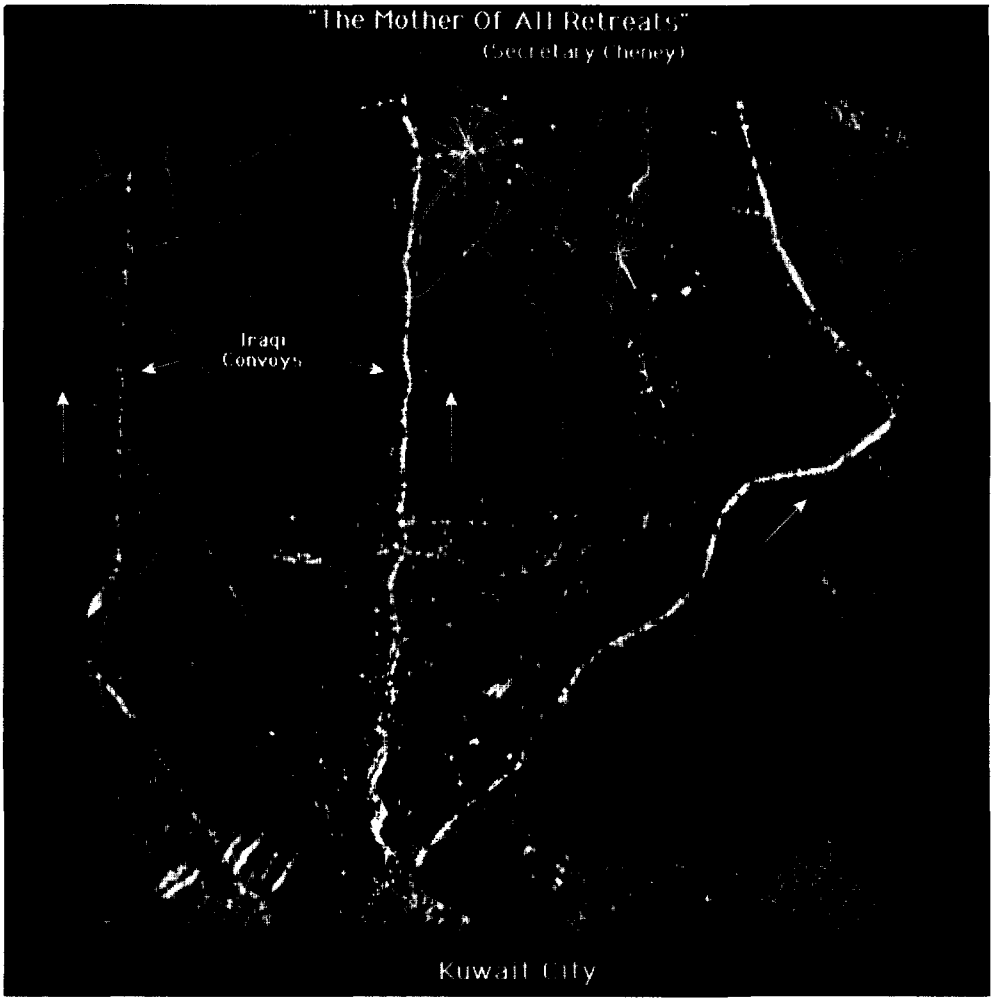

PHOTOGRAPH COURTESY OF GRUMMAN CORPORATION

Radar image of thousands of Iraqi vehicles fleeing north from Kuwait.

lems as well. The constant pressure of the data stream, together with the growth of nighttime operations, means that leaders try to keep on top of events at the cost of sleep and acuity.

Combat information increasingly takes the form of abstract representations of reality compiled from multiple sources. It becomes harder to discriminate between different types of information when a distant, anonymous expert or even a machine has done the sifting. Since the Vietnam War, American generals have decried civilian micro-management of military operations, an indictment only partly

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warranted but accepted uncritically by politicians as well as soldiers. Today, however, the danger of *military* micro-management looms much larger. A general in Washington, an admiral in a command ship or a theater commander in rear headquarters may have access to almost the same information as a forward commander, and in some cases more. Those distant commanders will often succumb to the temptation to manipulate individual units in combat accordingly.

Sophisticated information gathering systems are likely to attract more enemy attention in coming wars.

Dependence on vast quantities of electronic information, of course, poses certain risks. During the war, pilots complained of having to fly missions without the kind of target graphics they had used in training. In the future, soldiers may become overly dependent on detailed, well-presented and accurate information that simply may not exist in wartime. And as the verisimilitude of computer simulators and war games increases, future warriors may paradoxically find themselves all the more at a loss when the real world differs sharply from a familiar cyberworld.

Furthermore, the more sophisticated and expensive the information gathering system, the greater the premium opponents will put on disabling it with anything from electronic attack to homing missiles. The payoff for shooting down a state-of-the-art radar surveillance aircraft, for example, will surely attract intense efforts to do so. The Persian Gulf War also demonstrated a trend toward what one might call the *speciation*—that is, the evolution of distinct families—of munitions. The new munitions can, in theory and often in practice, achieve effects unimaginable with the conventional, high-explosive bomb. Anti-radiation missiles, for example, not only destroyed Iraqi radars, but intimidated air defense crews from turning them on in the first place. Specially tipped laser-guided bombs punctured hardened aircraft shelters immune to regular high explosives.

But as air-delivered munitions have become increasingly specialized in their effects, they have become susceptible to unintentional misuse. Air campaign planners expected extremely high kill rates against Iraqi armor, for example, based on the use of a scatterable mine, CBU-89. But the projected lethality of CBU-89 relied on calcula-

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tions made for a war in Europe, fought against Soviet tank armies on the move. Against static, dug-in Iraqi tanks, CBU-89 had much less to offer. The speciation of munitions brings unusual capabilities, but it also poses the risk of creating forces so specialized that they lack flexibility, and weapons so expensive that commanders will have only slender inventories to use when a war starts. Moreover, "dumb" (or at least relatively unintelligent) weapons will keep a place. Massive raids by B-52s raining down conventional bombs helped crush the morale of Iraqi soldiers and smash the large military-industrial facilities that figured so prominently in Saddam Hussein's aspirations for power.

WAR AND ORGANIZATION

THE SUCCESSES OF THE AIR campaign in the gulf rested almost as much on organizational innovations as on technology. To speak of a revolution in warfare as a purely technological affair is to miss half the significance of the war. In the Gulf War, for example, Lieutenant General Charles Horner, the commander of CENTAF (the Air Force component of Central Command), also controlled in some measure the airplanes of all the services, as well as helicopters flying above 500 feet and Navy Tomahawk cruise missiles. In this respect he embodied a doctrine dear to airmen for half a century: "Control of available air power must be centralized and command must be exercised through the Air Force commander if this inherent flexibility and ability to deliver a decisive blow are to be fully exploited."[5] "Centralized planning, decentralized execution" remains a catchphrase of Air Force doctrine, much as "don't divide the fleet" preoccupied American naval strategists in earlier times.

In practice, though, Horner's authority had its limits. The Navy controlled maritime air operations, the Marines determined the assignments of their short take-off and landing aircraft plus at least half of their fighter-bombers, while the allies exercised discretion regarding which targets they would attack. Special operations

[5] War Department, *Field Manual 100-20, Command and Employment of Air Power*, Washington: Government Printing Office, 1943, pp. 3-4.

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forces—which in effect constitute a fifth armed service—continued to struggle for control of their own air operations.

Horner, directing 1,800 combat aircraft, had a staggering fleet at his command. Nonetheless, even his gently wielded centralized control elicited suspicion and hostility from officers in other services who feared an Air Force attempt to dominate all aerial warfare. Grudgingly conceding the necessity of a single command center, they argued that in theory it could dilute the synergy of, for example, Marine air and ground forces, and that in practice it proved cumbersome and slow.

The centralized control of air power made for a much more coherent campaign than would otherwise have occurred. But, as officers from the other three services bitterly observed, the centralized control rested overwhelmingly in the hands of Air Force officers. Although the core planning staff, the so-called "Black Hole," included representatives from the Navy, Army and Marine Corps, as well as the British and Saudi air forces, its membership came predominantly from the Air Force. In theory a joint targeting board should have selected targets; in practice it did very little. Furthermore, much of the inspiration for the Black Hole's targeting decisions came from an Air Force staff in the Pentagon, an organization known as "Checkmate" led by Colonel John Warden, a fervent believer in air power.

Thus, an Air Force staff (nominally under Joint Staff auspices) dominated the flow of targeting information and proposals to the theater. This certainly violated the intent if not the letter of a command system that in theory excluded the service staffs from operational activity. But in fact this arrangement proved fortuitous because the Air Staff could tap a far wider range of expertise than could Gen. Norman Schwarzkopf's understaffed and overworked Air Force staff in Riyadh, which had to cope first with the task of deploying a vast force to the Persian Gulf and then with the myriad chores of daily flight activity and defensive planning. Furthermore, Air Force dominance in both Washington and Riyadh meant that the plan was conceptually consistent. Normal procedures, which give each service an equal voice in the name of cooperative participation, would not have done nearly so well.

The procedurally orthodox abhor the notion of Washington ser-

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vice staffs feeding operational suggestions to a theater staff. Such a practice subverts the idea—enshrined in the Goldwater-Nichols Act of 1986—of theater commanders as semi-autonomous warlords who take only the broadest strategic direction from Washington. But American defense planners should look at what happened and ask whether these improvisations do not point the way to greater effectiveness. After several decades of insisting that the word "service" means "parochial," military reformers might ponder the individual merits of the services, each of which can pool a great deal of operational expertise along with a common world view and an esprit de corps difficult to find among a mélange of officers.

The abundance of reliable and secure voice, data and facsimile communications to (and within) the theater transformed command and control. Communications technology subverted hierarchies and rendered abundant exchanges between the theater and the United States both inevitable and desirable. During the Persian Gulf War staffs in Colorado relayed warnings of Scud launches to Riyadh and Tel Aviv, and the now-defunct Tactical Air Command near Norfolk, Virginia, managed CENTAF logistical accounts. Watching CNN and using other sources of instantaneous news, the chairman of the Joint Chiefs of Staff (and, to only a slightly smaller degree, his civilian superiors) monitored the day-to-day activities of U.S. Central Command's (CENTCOM) forces. The new technologies threaten age-old principles such as unity of command and delegation of authority. Those pieces of military folk wisdom have so much authority that they will persist in peacetime even if they must disappear in war. A new concept of high command, one that acknowledges that technology inevitably diffuses authority, will have to take take root.

An abundance of reliable communication subverted military hierarchies and transformed command and control.

Information gathering and processing technology can help but not solve the problem of bomb damage assessment. In many cases, commanders sent out sorties uncertain about the degree of damage a target had already received. Part of the problem stemmed from excessive reliance on intelligence derived from satellites rather than locally con-

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trolled reconnaissance aircraft. The theater intelligence staff was small in number and had little experience in tasking the array of satellites at its disposal. There remained, moreover, the sheer difficulty of knowing what damage has been done. From an overhead photograph, for example, it may prove difficult to figure out whether a small black hole on top of a hardened aircraft shelter indicates a hit by a dud bomb, an explosion in the thick, rubble-filled space between the shelter's inner and outer walls, an explosion within the shelter or an artful paint job by Iraqi camouflage experts. And unless reconnaissance units can keep targets under near-constant surveillance from many angles and with different kinds of sensors, intelligence analysts may not know which projectile did what kind of damage. Finally, functional damage may differ sharply from physical damage. Air Force planners desired the first, hoping, for example, that a few hits on a command post would discourage the Iraqis from using it, even if according to normal measures of damage (which depend mainly on engineering criteria) the facility had not received a mortal blow. Not surprisingly, they became increasingly frustrated with intelligence reports that paid more attention to physical than functional damage.

The problem of bomb-damage assessment means that the fog of war will persist, although intelligence services will work to develop ever more sophisticated means of interpreting imagery and cross-checking damage through different sources of information. These individual uncertainties can add up to much higher aggregate levels of confusion. Hard as it may be to figure out what a particular *target* consists of and how to strike it, figuring out a *target system*—for example, how destruction of one microwave relay affects an entire telephone network—is even more difficult. It is depressing to recall that the United States began the war with two known Iraqi nuclear facilities on its target list, that it added six during the conflict and that another dozen were uncovered by U.N. inspectors only after the war. Furthermore, it appeared that the Iraqis had vitiated the effects of bombing by stripping these buildings of equipment and materials used in the nuclear program. This too was not known until after the war.

Although some aircraft, such as the F-117, had excellent videotape recorders, most could not take pictures of where their bombs or mis-

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siles had landed. Nor did the coalition have nearly enough unmanned aircraft or manned reconnaissance aircraft to do a proper job, given the magnitude of the effort. These shortfalls revealed an institutional failure before the war to accept the notion that knowing what a bomb has done is almost as important as delivering it. In future conflicts, where commanders might have less time or much smaller forces, an inability to track damage to an enemy could prove crippling. Even in retrospect it has proven extremely difficult to decipher the air war's effects. There was no comprehensive survey of the battlefield conducted in the wake of advancing coalition forces, in part because of deficient prewar planning and in part because of CENTCOM's antipathy to visiting study teams. The American armed forces could have done a far more thorough job of recording and analyzing battles as they unfolded, and certainly after they were over.

THE WAR AND AMERICAN INFLUENCE

RELIANCE ON AIR POWER has set the American way of war apart from all others for well over half a century. Other countries might field doughty infantry, canny submariners or scientific artillerists comparable in skill and numbers to America's. Only the United States, however, has engaged in a single-minded and successful quest for air superiority in every conflict it has fought since World War I. Air warfare remains distinctively American—high-tech, cheap in lives and (at least in theory) quick. To America's enemies—past, current and potential—it is the distinctively American form of military intimidation.

Air warfare plays to the machine-mindedness of American civilization. Aircraft can direct massive and accurate destructive force at key points without having to maneuver cumbersome organizations on land or sea. Air power can indeed overawe opponents, who know quite well that they cannot hope to match or directly counter American strength. On the other hand, these enemies will find indirect responses. The Saddam Husseins of the world have surely learned that they need not take American children hostage to deter bombardment; they can take their own citizens' young with no less effect. When F-117s struck the so-called al-Firdos bunker—a perfectly appropriate military target—on

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February 13, they apparently killed the wives and children of Iraqi leaders using the facility as a shelter. For the next four days all air operations against Baghdad ceased, and when they resumed, politically motivated controls reduced the number of targets to the barest handful. Mobility, when abetted by camouflage and tight communications security, can also shield a potential opponent from harm. Publicly available evidence does not suggest that air attacks destroyed any Scud missile launchers, for example.

The soldier or marine will surely say to the air power enthusiast that nothing can substitute for the man with the bayonet. True, but some politically desired effects (elimination of electrical power in Baghdad, for example) required no use of ground forces. And in some cases the United States has proved unwilling to use ground forces to achieve its objective (for example, the overthrow of Saddam). Air power may not decide all conflicts or achieve all of a country's political objectives, but neither can land power.

All forms of military power seem likely to benefit from the imminent arrival of "nonlethal" or "disabling" technologies, which offer the prospect of war without casualties. But here, perhaps, lies the most dangerous legacy of the Persian Gulf War: the fantasy of near-bloodless uses of force. Set aside, for the moment, the question of so-called nonlethal weapons. No military technology (indeed, no technology at all) works all the time. Inevitably, even the best-aimed laser-guided bomb will lose its fix on a target because of a passing cloud or a steering mechanism failure, and hurtle into an orphanage or hospital. As one wise engineer puts it, "[T]he truly fail-proof design is chimerical."[6]

In many cases, so-called nonlethal weapons will prove just the reverse. The occupants of a helicopter crashing to earth after its flight controls have fallen prey to a high-power microwave weapon would take little solace from the knowledge that a nonlethal weapon had sealed their doom. Some of these weapons (blinding lasers for example) may not kill, but have exceedingly nasty consequences for

[6] Henry Petroski, *To Engineer is Human: The Role of Failure in Successful Design*, New York: Vintage, 1992, p. 217.

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their victims. And in the end a disabling weapon works only if it leaves an opponent vulnerable to full-scale, deadly force.

WAR IS CRUELTY

THE SIMPLE AND BRUTAL FACT remains that force works by destroying and killing. In the Gulf War the commanding generals ostentatiously, indeed obsessively, abjured Vietnam-style body counts, but that did not diminish the importance of terrifying enemy soldiers through the fear of violent death from tons of ordnance raining down on them. And fear of violent death only comes from the imminent possibility of the real thing. True, in the Gulf War relatively small numbers of Iraqis (perhaps 2,300 civilians and up to 10,000 soldiers) died before the ground war, although others suffered indirectly from the combined effects of air attack and the coalition embargo. That so few died reflects, among other things, the potential of the new technologies and the scrupulous regard for civilian life shown by coalition planners. But the essential ingredient of fear remained constant.

Sometimes fear does not suffice. The objectives of conflicts such as the war with Iraq will frequently mandate killing. The destruction of some 50 percent of the Republican Guard's armor (in roughly equal proportions by air and ground action) made little difference outside the Kuwait theater. The Republican Guard remained at war's end an organized force and, after drawing on ample stocks of weapons in Iraq proper, put down the Kurdish and Shi'ite uprisings. To stop that and to undermine Saddam's regime (which the Bush administration certainly wished to do) would have required killing or wounding the men who constituted the bulwark of the regime. This uncomfortable fact, long known to the Israelis, who have had few scruples about killing German rocket scientists in the past or rogue super-gun designers in more recent years, sits poorly with Americans. When General Michael Dugan, Chief of Staff of the United States Air Force, hinted to journalists in September 1990 that the most effective use of air power might consist of attacks on Saddam Hussein, his intimate associates and key members of the Iraqi general staff and Ba'ath Party, he only pointed to the truth, impolitic as his outraged superiors found it.

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It appears likely that civilian populations or large portions of them will continue to be the objects of terror. General William Tecumseh Sherman described the grim purpose of his 1864 march through Georgia and South Carolina thus: "My aim then was, to whip the rebels, to humble their pride, to follow them to their inmost recesses, and make them fear and dread us. 'Fear of the Lord is the beginning of wisdom.' " Sherman's troops did not massacre the inhabitants of the South: they merely ruined their private and public possessions, attacking (as a contemporary strategic analyst might antiseptically observe) the region's "economic infrastructure." In many cases today, war means bringing power, particularly air power, to bear against civil society. Those who hope for too much from air power desire to return to a mode of warfare reminiscent of the mid-eighteenth century in western Europe—war waged by mercenary armies isolated from society; war with (by modern standards, at any rate) remarkable efforts to insulate civilians from its effects. Sherman, reflecting the character of armed struggle in his century as well as ours, believed that in modern conditions civil society must inevitably become a target.

As leaders attempt to use their civilians as hostages against American air power this will become ever more true, whether we like it or not. Moreover, throughout the nineteenth and twentieth centuries military power has become increasingly intertwined with civil society. The electric generators that keep a defense ministry's computers running and its radars sweeping the skies also provide energy for hospitals and water purification plants. The bridges indispensable to the movement of military forces support the traffic in food, medicine and all other elements of modern life for large civilian populations. Sherman faced a similar situation when he besieged Atlanta. "You cannot qualify war in harsher terms than I will," he told the hapless leading citizens of that city. "War is cruelty, and you cannot refine it."

THE USE OF AIR POWER

AMERICAN AIR POWER DOMINATED the Persian Gulf War as no other conflict since World War II. Special circumstances helped account for this achievement, but in the end airmen were probably

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correct in their belief that this war marked a departure. No other nation on earth has comparable power, nor will any country accumulate anything like it, or even the means to neutralize it, for at least a decade and probably much longer. American air power has a mystique that it is in the American interest to retain. When presidents use it, they should either hurl it with devastating lethality against a few targets (say, a full-scale meeting of an enemy war cabinet or senior-level military staff) or extensively enough to cause sharp and lasting pain to a military and a society. But both uses of force pose problems. The first type represents, in effect, the use of air power for assassination, a procedure not without precedent (American pilots stalked and slew Japan's Admiral Isoroku Yamomoto in 1943.) But it sets troubling precedents and invites primitive but nonetheless effective forms of revenge. The second involves the use of air power in ways bound to offend many, no matter what pains commanders take to avoid the direct loss of human life. To strike hard, if indirectly, at societies by smashing communication or power networks will invite the kind of wrenching television attention that modern journalists excel at providing.

American air power has a menacing reputation well worth retaining.

Still, to use air power in penny packets is to disregard the importance of a menacing and even mysterious military reputation. "The reputation of power is power," Hobbes wrote, and that applies to military power as well as to other kinds. The sprinkling of air strikes over an enemy will harden him without hurting him and deprive the United States of an intangible strategic asset. American leaders at the end of this century indeed have been vouchsafed with a military instrument of a potency rarely known in the history of war. But glib talk of revolutionary change obscures the organizational impediments to truly radical change in the conduct of war and, worse, its inherent messiness and brutality. In the end, students of air power will serve the country well by putting the Persian Gulf War in a larger context, one in which the gloomy wisdom of Sherman tempers the brisk enthusiasm of those who see air power as a shining sword, effortlessly wielded, that can create and preserve a just and peaceful world order.

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Glasnost for the CIA

Dave McCurdy

COMING IN FROM THE COLD

DURING THE COLD WAR, the purpose of the U.S. intelligence community was clear. American intelligence was a spyglass focused on the Soviet Union, keeping track of Soviet military research and development and watching Soviet activities throughout the developing world. U.S. intelligence caught other things only in its peripheral vision.

Now the Cold War is over. But its passing has hardly put an end to conflict, instability, or history. A dozen world hot spots clamor for attention, from Bosnia to North Korea, from Angola to Armenia, from Cambodia to Somalia. New areas of dispute—religious, ethnic, and national rather than ideological—threaten to replace the U.S.-Soviet standoff as the engines of world instability. At the same time, the United States has undertaken the herculean task of shepherding Eastern Europe and Russia through divisive and incredibly expensive economic and political reforms. In short, the Cold War has bequeathed an uncertain legacy to the economically and socially exhausted West; and if anything, U.S. intelligence must now come to resemble a wide-angle lens, focusing equally on a host of different countries and issues. In a time of geopolitical uncertainty and sharp cutbacks in U.S. defense spending, the flexibility and foresight provided by good intelligence may be America's most important foreign policy and defense asset in coming years.

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In this new era, many U.S. defense doctrines and institutions must be reformed—and no reforms are more important than those focusing on intelligence.

While reforms in budgeting and organization are badly needed, thinking about U.S. intelligence requirements must begin with a fundamental reassessment of what the United States needs its intelligence services to do. What kind of information should they collect? To what uses will that information be put? We must redefine the nature of intelligence itself.

A major underlying theme of the following analysis is that the U.S. intelligence community needs a new defining mission, an overarching purpose like the Cold War's emphasis on containing Soviet expansion, that serves to focus and justify the community's efforts. Many short-run tasks, from peacekeeping to regional conflict, will demonstrate the importance of good intelligence. But in the long run, the leaders of U.S. intelligence will need a grander notion of what they are about, a more sweeping definition of their job. Today, that defining mission can be the same one that justified the founding of the present intelligence community in 1947: to foresee and help prevent catastrophic attacks against the United States—that is, to avoid future Pearl Harbors, of whatever type.

During his campaign and the early weeks of his presidency, Bill Clinton articulated three organizing principles of U.S. foreign policy. These points provide a sound basis for crafting post-Cold War U.S. priorities abroad, and by extension for outlining U.S. intelligence needs. They include:

—Revitalizing U.S. economic strength and competitiveness;
—Maintaining a strong defense posture; and
—Promoting democracy abroad.

American intelligence capabilities must be geared, over the next decade, to serve these goals.

OPENING UP INTELLIGENCE

AS INTELLIGENCE HAS BECOME more important, it has also become more challenging. There are many reasons for this, but three

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stand out. One is the advent of what might be called "the CNN era"—the near-instantaneous reporting of news and events from around the world, broadcast complete with pictures and instant analysis by reporters and media-contracted experts. Intelligence must now be more rapid and thorough than ever before to allow decision-makers to respond speedily, and it must be accurate enough to allow public officials to correct the truncated, sound-bite version of events so often provided by television news. At the same time, the CNN era has broadened the American public's interest in foreign affairs; crises that in the past might have been ignored in Washington now receive daily news coverage, focusing public attention and ensuring that decisions will have to be taken—and that intelligence will be required.

The second challenge has to do with the blurring of lines between geopolitical categories. With U.S. political leaders now concerned with economic renewal and international trade, it is more and more difficult to separate economic policy from foreign and defense policy; because all of America's relationships with other major powers now involve elements of competition and of cooperation, it is perhaps more difficult to tell friend from foe. All of this makes it more difficult for the managers of U.S. intelligence agencies to know where to focus their resources, and there is a danger that U.S. intelligence activities could become so thinly spread among various crises and issues that the quality of analysis will suffer.

America's most basic challenge, however, relates to the way its intelligence services interact with other areas of society. Much of U.S. Cold War policy was aimed at promoting reform in the former Soviet Union, but ironically, what the U.S. intelligence community may need more than anything today is a little glasnost of its own. In many cases, the deepest reservoirs of expertise about developing countries lie in our academic and business communities. Even on the military front what is needed is in-depth analysis of a regime's intentions, not laundry lists of its weaponry. This is especially true of the former Soviet bloc, where hundreds of U.S. firms have established operations; their experiences and observations would provide a wealth of information to intelligence analysts. American analysts would benefit from more access to colleagues outside the community and

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more freedom to share their impressions with people on Capitol Hill and in academia, business and international organizations. The intelligence agencies must make it possible for analysts to spend a great deal of time living in their regions of specialty, building a knowledge of the situation on the ground and making friends and acquaintances who will serve as long-term sources of information. This process will encourage analysts to cast a wider net and will help reinvigorate the image of the intelligence community among those other constituencies. Hopefully, as a result, there will be growth in the already abundant pride and professionalism within the community.

The more open the intelligence process is, moreover, the more useful it will be to its customers. A broader canvas of opinion will produce better analysis and will allow analysts, rather than bureaucrats, to work more closely with decision-makers themselves. Openness will also address a persistent difficulty faced by intelligence analysts: the uneven attention given to intelligence by policymakers. Even the best intelligence is useless if policymakers ignore it. There is no permanent cure for this problem, but an executive branch official or legislator will be less likely to ignore a warning issued from someone he or she has known for years and has learned to be reliable and accurate.

INTELLIGENCE AND ECONOMIC STRENGTH

THE CLINTON ADMINISTRATION'S most important task, and the mandate on which it was elected, is to reinvigorate the U.S. domestic economy. Already the administration has proposed plans to reduce the federal deficit, invest in U.S. industries and workers and reform the health care system.

Defense and foreign policy can play an important role in domestic economic renewal. U.S. security commitments can promote regional stability and the free flow of commerce and trade. Through forward-deployed military forces, the United States can defend key economic interests, such as Persian Gulf oil supplies, and nourish friendships and alliances abroad that provide leverage in trade negotiations.

Those missions require traditional military and political intelligence. But the broader connection between defense and foreign policy (and

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thus intelligence) and economic performance raises an important—and troubling—question: To what degree should existing U.S. intelligence capabilities be used for economic, as opposed to military or political, purposes? Should U.S. satellites and spies look for the designs of Japanese steel yards or the plans for a new German optical device rather than the next Russian bomber?

At stake in the answer to these questions, which CIA Director R. James Woolsey, Jr., has called "the hottest current topic in intelligence policy," may be not only the mission of U.S. intelligence services, but the whole tenor of international relations. If the world's major trading powers begin viewing each other with suspicion, hoarding economic breakthroughs like atomic secrets and monitoring each other like enemies, the world could easily slide into an economic version of the Cold War.

This issue is not at all theoretical. U.S. allies have long used intelligence services to spy on foreign firms for economic purposes, and Russia—with a vast intelligence apparatus and little idea what to do with it—may expand its decade-old program of industrial espionage. Public attention was focused on this issue in April 1993, with the disclosure that the CIA had warned U.S. defense firms of espionage directed at them by French intelligence.

Any effort to approach the problem of economic intelligence will face a variety of complications. The United States and its allies differ sharply on this issue. Many important U.S. trading partners in Europe and Asia have long viewed economic performance as a critical variable of national power and see nothing wrong with using their intelligence assets to enhance that performance. One German official reacted to the alleged French action by suggesting that "no self-respecting intelligence agency would not obtain information in this manner."

Increasing U.S. and allied reliance on dual-use equipment and other attempts to gain the most civilian economic benefits from military spending further blurs the distinction between civilian and military initiatives. It will become correspondingly difficult to distinguish between military and economic espionage. If a Russian spy is caught looking for secrets about the U.S. National Space Plane, for example, has he or she been caught conducting military or economic

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espionage? What if the spy is French; is there such a thing as military espionage conducted against allies, as the Jonathan Pollard case suggested? In addition, the end of the Cold War has made it more difficult to tell adversaries from allies. Polls indicate that the American people now view Japan as a greater threat to national security than Russia. I do not agree, but that perception illustrates how difficult it will be to balance the competitive and cooperative elements of our major relationships in the years ahead.

The activities of multinational companies further cloud the picture. How is one to determine today to which country a particular business belongs? Many modern industrial giants have large operations in several, or even many, countries; which ones deserve U.S. protection? Would Washington protect from espionage all companies doing research in the United States—even Japanese ones? What if an American firm relocated its headquarters abroad, but kept many manufacturing sites in the United States; would it still qualify for protection?

It will become difficult to distinguish between military and economic espionage.

The definition of industrial espionage also remains vague. U.S. analysts routinely look at foreign economic trends and occasionally brief U.S. executives on this information; U.S. intelligence agencies provide support to U.S. officials attending various economic summits; and the CIA keeps track of other countries' attempts to steal U.S. industrial secrets. At what point does this activity reach a critical mass and deserve the title "industrial espionage"?

There may be some distinction between active and passive industrial espionage. Active measures would be those designed to acquire industrial secrets through spying, such as placing an agent in a U.S. defense firm and using him or her to steal the designs for new equipment. Passive steps would refer to the gathering of economic intelligence only indirectly—as part, for example, of a general national assessment or a specific operation designed to acquire political or military facts. Admittedly, while such a distinction may exist in theory, it would be hard to sustain, and especially to enforce, in practice.

What, then, should the U.S. position be on economic intelligence?

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Two policies seem clearly justified. One is counterintelligence. U.S. spy services must keep a careful watch on the industrial espionage conducted by other countries and warn U.S. firms that have been targeted. Defending U.S. economic secrets can reveal interesting facts itself: if a particular country is targeting a specific industry, that may indicate something about that country's economic priorities.

Second, U.S. intelligence services should continue gathering detailed economic data about dozens of other countries. U.S. officials use this information when making various economic and trade decisions. Economic intelligence will also continue to play a major role in country risk assessments, analyses of foreign military potential, and other political-military intelligence, thereby helping U.S. leaders avoid an economic Pearl Harbor in which our major trade competitors achieve a sudden breakthrough in economic policies or practices. And the intelligence community can share more open-source information with U.S. companies, including currently classified translations of unclassified foreign publications. But these activities will not be conducted for the purpose of acquiring trade secrets.

Finally, there is the ultimate question. Should the United States place its intelligence apparatus in the service of its businesses? In 1929 Secretary of State Henry Stimson decided to close his department's codebreaking agency; twenty years later, he explained his decision with the caustic remark that "Gentlemen do not read each other's mail." Is our reluctance to engage in industrial espionage as anachronistic today as that sentiment had become by 1948?

I do not believe that it is. For one thing, there are the risks mentioned above: economic espionage could undermine relations among the major trading partners, making political cooperation and free trade agreements less likely and setting the stage for a return to confrontation in the West. The hope for a new concert of major powers united against aggression and tyranny would not long survive a round of economic warfare.

Even more fundamentally, however, the information gained through industrial espionage would have only a marginal impact on U.S. economic performance. Individual trade secrets are seldom profound enough to shape the activity of an entire economy. Most of the

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time, in fact, U.S. businesses know exactly what their competitors are doing and why it works; the "secrets" of Japanese automobiles or German optics did not remain hidden for long. Even the macroeconomic strategies of most major trade powers and their primary corporations are reasonably well known today. The problem for U.S. businesses is not so much a lack of information, but applying the tactics and techniques used by others to U.S. operations.

The world's major economic powers have little to gain and much to lose in industrial espionage. The United States might therefore consider leading an international effort to ban active industrial espionage. This ban would be an international treaty that does for economic spying what the General Agreement on Tariffs and Trade aims to do for protectionism. The treaty might even actively encourage openness and the sharing of information, the better to promote scientific research, technological breakthroughs, and economic development.

Such a treaty will clearly take some persuasion and cajoling, as well as some hair-splitting definitions of what is and what is not permitted. But even an agreement that is not universal in application would be helpful in moving the major economic powers toward greater openness while providing a means of punishment if egregious violations are uncovered.

PROMOTING DEMOCRACY

PRESIDENT CLINTON IS ALSO DEDICATED to the promotion of democracy abroad. The spread of democracy and free-market economies would clearly abet U.S. interests: democracies are less likely to go to war or undermine stability than authoritarian states. Especially in Eastern Europe and the former Soviet Union, the success of the democratic experiment is of vital importance to the United States.

Once again, rapid news reporting has complicated the U.S. task. Television pictures of human-rights abuses, either persistent violations or sudden outbursts such as the Tiananmen Square massacre, can inflame U.S. public opinion and mandate a U.S. response. The media played the decisive role in forcing U.S. involvement

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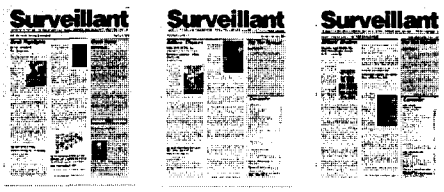

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(such as it was, and is) in both the Somalia and Bosnia crises.

But the debate over human rights is seldom about ends; it is about means. The United States and many other nations would benefit from the evolution of a fully democratic China, for example, ruled by moderate and responsible elected officials answerable to their people. The question is how to bring about such an outcome.

In general, there are two schools of thought on this question. The "engagement" school contends that isolation nurtures tyranny and that opening up authoritarian states—trading with them, encouraging outside investment and communications—is the surest way to promote reform and, eventually, democracy. The "sanctions" school rejects these ideas. Authoritarian states are expert at using outside economic investment and trade to prop up their inherently inefficient regimes, this school insists. It contends that the best way to promote democracy is to isolate repressive regimes and impose sanctions until they carry out the desired democratic reforms.

In promoting human rights and democracy, therefore, our fundamental choice is whether to engage or to isolate, to encourage or to demand. In the past, the choice was often made for strategic or political reasons having little to do with democracy. China benefited from engagement, for example, because of its importance in the global balance of power, while Vietnam is left out of U.S. trade and diplomatic circles because of the POW/MIA issue.

Over time the strategic and political straitjacket that has bound U.S. policy on these issues may loosen. The United States may soon be left, then, to decide whether to promote democracy more on the merits of the case than on standards imposed by strategic or political concerns. Some observers will view this as a liberating process, but in fact it will impose new burdens on U.S. decision-makers. Already President Clinton faces this question on China: what is the best strategy for achieving his stated goal of promoting human rights, democracy and free markets? This process will be complicated by the fact that the sanctions-versus-engagement issue can only be resolved on the merits of each individual case.

In many cases, U.S. leaders will use their intelligence services to make these tough choices. They will ask about the political situation

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in undemocratic states, the prospects of the regimes there, and the likely effect of various U.S. policies. A perfect example today is U.S. policy toward China: reliable information on Chinese political prisoners, repression of dissent, use of prison labor, treatment of Tibetans, and related subjects such as missile sales will be absolutely indispensable to the formation of a sound U.S. policy. The same is true in Vietnam and many other cases.

Equally important will be the U.S. intelligence assessment of the status of reforms under way in countries that are attempting to make the transition to democracy and free markets, particularly within the former Soviet Union. If there is to be another coup in Moscow, for example, U.S. policymakers will want to know—and have some informed suggestions about how to help head it off—in advance. If two East European nations are about to go to war, Washington cannot help avoid the conflict if it is not aware of the risks. This sort of information will give warning of the most catastrophic possible attack of all, the most devastating replay of Pearl Harbor imaginable: a nuclear or conventional surprise attack from Russia, unthinkable today but conceivable again if the far right in Moscow comes to power.

OPERATIONAL INTELLIGENCE

ANOTHER BROAD ISSUE FACING the intelligence community is how to conduct operational military intelligence in support of America's second pillar of foreign policy: a strong defense posture. In regional wars such as the Persian Gulf War and a host of other military operations, the United States will continue to defend and promote its interests as it did during the Cold War. But the nature of both the military operations themselves and modern warfare have undergone a profound shift, and intelligence must evolve to accommodate this fact.

The advent of instant news reporting from around the globe poses its own challenges to operational intelligence. As in the Persian Gulf War, the U.S. military will need continuing battlefield reports to keep the media and public opinion satisfied. Rapid news reporting is often incorrect or exaggerated, and at best provides only a snapshot of the

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real situation. It is the journalistic equivalent of a satellite photo, providing some basic, often misleading facts and very little in-depth information. Intelligence serves as a check on such clipped news reporting, rounding out the picture and giving leaders the information they need to offer a more balanced view of events. Accurate wartime intelligence can provide images of successful U.S. air strikes, interdictions at sea, or ground assaults.

All major U.S. military actions in the coming years will be multilateral enterprises. The United States will bring to such operations no commodity more valuable than its ability to collect information. Modern, broad-based, high-technology intelligence collection remains an area of unique U.S. competency, one that contributes disproportionately to the success of collective enterprises. In the Persian Gulf War, U.S. intelligence on the whereabouts of Iraqi combat forces, headquarters units, supply depots, and other assets provided the coalition with a devastating advantage on the battlefield. U.S. satellite imagery has also played a central role in marshaling international concern about the North Korean nuclear program.

Modern, high-technology intelligence collection is an area of unique U.S. competency.

But multilateralism will also pose new challenges for the U.S. intelligence community. Perhaps the two most pertinent questions are what information should be shared with allies, and how that sharing should be facilitated. The impulses of the community itself are not always helpful: in the North Korean case, former CIA Director Robert Gates had to overrule powerful objections and force the agency to share satellite photos with the International Atomic Energy Agency, and once he left his post CIA analysts promptly made a new attempt to undermine the policy. Promoting intelligence sharing among allies will also be an uphill battle as long as national defense procurement systems continue to downplay collaborative defense programs in such areas as command, control and communications.

Leaders in the U.S. defense establishment and intelligence community should fight against both of these biases. The new emphasis on openness should extend not only to the U.S. government, but also to the coalitions, alliances and international organizations that

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will legitimize and support U.S. military action in the future. For the most part, the resulting international cooperation and solidarity will far outweigh the risk of leaking secrets about U.S. intelligence capabilities.

U.S. intelligence requirements are also profoundly affected by the growing prominence of peacekeeping and "peace enforcement" missions. U.S. military forces in the years ahead are likely to conduct far more operations like those in Somalia and Bosnia than that of the full-scale Persian Gulf War. Peacekeeping operations call for new and unfamiliar forms of information—detailed knowledge of the political, economic, and geographic topography of dozens of developing countries. Long-term socioeconomic assessments should help us predict famines, civil strife, the collapse of governments and other events related to peacekeeping. Our difficulties in Somalia have again highlighted the need for better intelligence in such efforts.

Finally, the nature of large-scale warfare is changing dramatically. New technologies are transforming the way militaries fight, an effect seen dramatically in the Persian Gulf War. But the high-technology precision weapons used there represent just the first wave of new equipment that will produce what many are calling a "military-technical revolution."

The most telling features of this new era in warfare will be speed and precision. Modern technologies significantly increase the tempo of war: while before it might have taken hours, days or even weeks to relay a message to deployed military forces, today battles are a real-time affair. The information loop of war, running from the detection of enemy forces to intelligence analysts, command headquarters, and eventually to friendly troops in the field, must now be compressed into a matter of minutes.

In order to remain relevant to this accelerated process of war, battlefield intelligence must be acquired, processed, analyzed and disseminated with incredible speed. In fact, the distinction between intelligence and operations is becoming blurred. The revolution in warfare means that a number of military functions—intelligence, surveillance, targeting, and command and control—are collapsing into one another. This trend is graphically represented by such air-

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craft as the Airborne Warning and Control System and the Joint Surveillance and Targeting System, single platforms that perform many of these functions at once.

Operational intelligence must therefore become more readily available to combat forces and their commanders. Moreover, they should be fully integrated into the conduct of battle. At the same time, the providers of military intelligence must give more attention to the unique challenges posed by humanitarian, peacekeeping and peace enforcement missions in the developing world.

In a larger sense, this same operational intelligence will be of great value in preventing other countries from achieving a decisive military advantage. By keeping track of the technologies, weapons and tactics employed by potential adversaries, we can ensure that none of those capabilities will take us by surprise in a major war, that U.S. weapons will not suddenly be rendered obsolete by a stunning technological advance in another country. In this sense, operational intelligence will help us avoid a military-technical Pearl Harbor.

A NEW APPROACH TO INTELLIGENCE

THE DIFFUSION OF INTELLIGENCE requirements among a dizzying number of countries and issues highlights the value of a somewhat more centralized process of intelligence management. We need a stronger, unified hand at the helm of our analytical agencies, or we risk fracturing our efforts and duplicating our analysis at a time when our shrinking intelligence budgets make such inefficiency especially dangerous.

In many cases the forms of intelligence needed today cannot be gathered by high-tech satellites or aircraft. U.S. decision-makers will more than ever need accurate estimates of the software rather than hardware of international politics—the beliefs, thought processes and intentions of potential adversaries. Human intelligence, the much-praised but still neglected aspect of our intelligence apparatus, should receive more emphasis in the years ahead. This does not call for a profusion of new spies aimed at foreign governments, but for more analysts on the scene who understand the local dynamics.

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Finally, any effort to reform the process of intelligence must keep in mind that the U.S. intelligence community is not a series of wire diagrams; it is a community of people. Their ability, dedication, and professionalism will determine the quality of the analysis that the community produces. The primary focus of any new plan for the intelligence community should be to improve even further the already admirable quality of its analysts, in part by making intelligence a more rewarding, stimulating, open and uncontroversial career.

To do so, we must expand the exchange of information between analysts and colleagues outside the community; conduct more congressional briefings in open hearings (as was done with the CIA's July 1993 summary of conditions in Cuba); institutionally separate, to the degree possible, analysts from covert action; make individual analysts available to policymakers on a more regular basis; invite respected academics for sabbatical years or other short- to medium-term stints in the community; and encourage the wider use of open-source data and a reduction in the classification levels of intelligence-community material. Each of these ideas carries risks, but they combat a greater danger—the gradual alienation of the intelligence community from policymakers, the academic and business communities and American society as a whole.

Any new plan should make intelligence a more open and uncontroversial career.

The intelligence reform legislation introduced in 1992 by Senator David Boren (D-Ok.) and me was designed to address these needs. It would have created a new position at the head of the U.S. intelligence community—a director of national intelligence (DNI)—who would have been responsible for the preparation, submission, and execution of a single budget for all elements of the U.S. intelligence program. The DNI would have had two deputies, one for the intelligence community (responsible for human, signals, and imagery intelligence—in short, the operational side of intelligence) and one for analysis and estimates.

More than any specific aspect of the plan, our goal in this legislation was to encourage bold thinking about U.S. intelligence needs and

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organizations and to create a climate in which the leaders of the intelligence community would take it upon themselves to reform the community from the inside. This strategy would not have worked without a reformist director; and to his credit, former Director of Central Intelligence Robert Gates reviewed community activities across the board, in part through a series of task forces dealing with specific issues. Current DCI James Woolsey seems intent on keeping the spirit of reform alive, and the stewards of defense intelligence have developed a comprehensive reform plan aimed at improving effectiveness and streamlining military intelligence agencies. Combined with the mandate of the Intelligence Authorization Act of 1993, these steps have produced important—if still incomplete—intelligence reforms.

Several of the recent reforms have contributed to the goal of openness. The recently expanded dialogue about the U.S. intelligence process has hopefully served to increase public awareness of intelligence issues. As recommended in our legislation, moreover, former director Gates created an "open source coordinator" to review information available in unclassified sources and disseminate it to users within the intelligence community.

In the area of central control, no fundamental steps have been taken; the powers of today's director of central intelligence are much like those of his predecessors and do not approach those of the director of national intelligence we suggested. Still, the Intelligence Authorization Act did authorize the DCI to participate in decision-making at NSC meetings; past directors could always have done so, but it is hoped that the statute will encourage the practice. The act also gives the DCI veto power, and thus de facto control, over all budget reprogramming within the community. The trend toward a stronger DCI has thus been partly established.

Finally and perhaps, in terms of precedent, most importantly the Intelligence Authorization Act created a stronger National Intelligence Council that reports to the director of central intelligence. The council achieves in microcosm many of the goals of our legislation: it is a small think tank of sorts, made up of some of the top analysts in the intelligence community, that reviews and debates high-level national estimates before forwarding them to decision-makers. The

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act provided the council with greater autonomy and a stronger staff. The council is also intended as a means of drawing outside experts, as visiting scholars or permanent staff, into the analysis and estimate process and thus broadening the scope of thinking within the intelligence community.

By itself, then, the council achieves a number of key goals. It makes analysis more independent from the operations of the intelligence community, perhaps encouraging more intellectual honesty and offering a less controversial route for academics to play a role in intelligence. By including outsiders and working closely with policymakers, it promotes a more open intelligence process. And by its location and charter, it is designed to be more in touch with the needs of decision-makers in the executive and legislative branches.

OUR FIRST LINE OF DEFENSE

THE WORLD IS CHANGING, and the way in which the United States targets and gathers its intelligence will change as well. The post-Cold War era calls for a leaner, more integrated, and above all more open U.S. intelligence community, with stronger lines of communication both to nongovernmental experts and to intelligence consumers. As suggested by the foregoing, this is an enormously difficult task. But the needed reforms have already begun, and with proper guidance, we can mold U.S. intelligence services into what they must be: our first line of defense against a disorderly world.

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Reviews

VANITY FAIR, 1934, THE BETTMANN ARCHIVE

Stalin

"The United States was not dealing with an everyday, run-of-the-mill, statesmanlike head of government."

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Review Essay

The Tragedy of Cold War History

Reflections on Revisionism

John Lewis Gaddis

It has been well over three decades now since the historian William Appleman Williams first called upon his colleagues in the profession to undertake "a searching review of the way America has defined its own problems and objectives, and its relationship with the rest of the world." In *The Tragedy of American Diplomacy*, surely one of the most influential books ever written about the history of U.S. foreign relations, Williams rejected the celebratory tone that had characterized earlier scholarship, insisting that the record of this nation's foreign policy had been a "tragedy" because of the gap Americans had allowed to develop between aspirations and accomplishments. We had preached self-determination but objected when others sought to practice it; we had proclaimed the virtues of economic freedom even as we sought to impose economic control. The result, Williams concluded, was that "America's humanitarian urge to assist other people is undercut—even subverted—by the way it goes about helping them."

The classical definition of tragedy is greatness brought low by some fundamental flaw in one's own character. When one considers the difficulties the United States created for itself through its own hubris and arrogance during the Vietnam War era, it is hardly surprising that Williams' tragic view of American diplomacy seemed, to a great many people at the time, to make sense. To a good many even today, it still does.

John Lewis Gaddis was President of the Society for Historians of American Foreign Relations in 1992. This essay was the 1992 presidential address and has previously been published, in a different form, in *Diplomatic History*, with whose permission it appears here. Gaddis is also the author of *The United States and the End of the Cold War: Implications, Reconsiderations and Provocations*, (Oxford, 1992).

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Therein, however, lies a danger. Any view held by a considerable number of people risks becoming an orthodoxy, and there are signs that this has happened within the field of American diplomatic history. Williams was, according to those who knew him, a profoundly unorthodox character. I suspect that the last thing he would have wanted would have been to see his own ideas—or anybody else's, for that matter—become conventional wisdom. As he himself put it in *The Tragedy of American Diplomacy*, "history is a way of learning, of getting closer to the truth. It is only by abandoning the clichés that we can even define the tragedy."

The end of the Cold War has obliged most of us to jettison any number of clichés, orthodoxies and long-cherished pearls of conventional wisdom; in this sense, we are all becoming post-Cold War revisionists. All the more reason, then, for taking another look into what Williams called the "mirror" of history, "in which, if we are honest enough, we can see ourselves as we are as well as the way we would like to be."[1]

THE AMERICAN VISION

Students frequently ask the question these days: what was the Cold War all about? Given what we now know of the Soviet Union's internal fragility; given what has long been clear about the economic absurdity of Marxism-Leninism; given persuasive evidence that an international communist monolith never really existed; given all of these things, what exactly was the threat to American interests anyway? Whatever could have justified the massive expenditures on armaments, the violations of human rights abroad and civil liberties at home, the neglect of domestic priorities, the threats to blow up the world—whatever could have excused all the deplorable things the United States did during the Cold War if no genuine threat ever existed? Doesn't this record only confirm what Williams suspected: that the American system has a propensity to fight cold wars, and that if the Soviet Union had not provided the necessary adversary, someone else would have?

Few historians would deny today that the United States did expect to dominate the post-World War II international system, and that it did so well before the Soviet Union emerged as a clear and present antagonist. Woodrow Wilson years earlier had provided the rationale, with his call for a collective security organization to keep the peace, and for self-determination and open markets as a way of simultaneously removing the causes of war. It took the fall of France and the attack on Pearl Harbor to transform Wilson's ideas into sustainable policy, to be sure, but the country's leadership, if not yet the country as a whole, was thoroughly committed to those ideas long before World War II ended.

This vision of the future assumed a strong military role for the United States. Americans would hardly have been prepared, even under the best of circumstances, to turn the entire task of peacekeeping over to the United Nations, however enthusiastically they endorsed

[1] William Appleman Williams, *The Tragedy of American Diplomacy*, rev. ed., New York: Norton, 1988, pp. 13-16. The first edition of Williams' book was published in 1959.

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that organization. And it is now clear that careful calculations of material advantage lay behind the international economic order created at Bretton Woods. No one had ever combined the fact of self-interest with the appearance of disinterest more skillfully than Woodrow Wilson, and that aspect of his legacy was still very much around as influential Americans set out to design the postwar world.[2]

But let us be fair to those designers: they also assumed that the great powers would act in *concert* rather than in competition with one another. That presupposition had been the basis for Franklin D. Roosevelt's early and somewhat crude concept of the "four policemen," and it carried over into the more sophisticated planning for the United Nations and the organization of the postwar international economy that went on during the last two years of World War II. It is certainly true that the United States expected to lead the new world order; it alone was in a position to set the rules and to provide the resources without which that system could hardly function. But the system was to have been based upon the principle of what we would today call *common* security. It was to have operated, at least insofar as the great powers were concerned, within a framework of consent, not coercion; and most Americans expected, perhaps naively, that this relatively open and relaxed form of hegemony could be made to coincide with their own security interests.

The United States plan for the postwar world, however, was never fully put into effect. Part of the reason was the United States' failure to take into account the extent of wartime devastation in Europe, and the consequent improbability that a return to open markets alone could solve that problem. But the main difficulty lay more in the realm of geopolitics than economics: it was that Washington's conception of common security ran up against another set of priorities, emanating from Moscow, of a profoundly different character.

STALIN AND THE SOVIET UNION

There was nothing relaxed, or open, or consensual about Josef Stalin's vision of an acceptable international order; and the more we learn about Soviet history now that the Soviet Union itself has become history, the more difficult it is to separate any aspect of it from the baleful and lingering influence of this remarkable but sinister figure. One need hardly accept a great man theory of history to recognize that in the most authoritarian government the world has ever seen, the authoritarian who ran it did make a difference.

Stalin was, above all else, a Great Russian nationalist, a characteristic very much amplified by his non-Russian origins. His ambitions followed those of the old princes of Muscovy, with their deter-

[2] The best recent discussion of American postwar planning is Melvyn P. Leffler's deservedly prize-winning *A Preponderance of Power: National Security, the Truman Administration, and the Cold War,* Stanford: Stanford University Press, 1992, especially pp. 1-24.

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mination to gather in and to dominate surrounding lands. That Stalin cloaked this goal within an ideology of proletarian internationalism ought not conceal its real origins and character: Stalin's most influential role models, as his most perceptive biographer, Robert C. Tucker, has now made clear, were not Lenin, or even Marx, but Peter the Great and ultimately Ivan the Terrible. His rule replicated the pattern of earlier tsarist autocracies identified by the great prerevolutionary Russian historian, V. O. Kliuchevskii: "The state swelled up, and the people grew lean."[3]

Now, if the Soviet Union had occupied, let us say, the position of Uruguay in the post-World War II international system, this kind of autocracy certainly would have oppressed its citizenry, but it would not have caused a Cold War. If the Soviet Union had been the superpower that it actually was, but with a system of checks and balances that could have constrained Stalin's authoritarian tendencies, a Cold War might have happened, but it could hardly have been as dangerous or as protracted a conflict. If the Soviet Union had been a superpower and an authoritarian state, but if someone other than Stalin had been running it—a Bukharin, for example, or perhaps even a Trotsky—then its government would have been in the hands of a Kremlin leader who, although by no means a democrat, at least would have known the outside world, and might have found it easier than Stalin did to deal with it on a basis of wary cooperation instead of absolute distrust.

Unfortunately, none of these counterfactuals became fact. Stalin was in command, and the people of the Soviet Union, together with the rest of the world, were stuck with him at the end of World War II. That was a tragedy, if not in a classical sense, then in an all too modern one. Let me try to illustrate why with a series of vignettes based on some of the new information we have about the great autocrat's life:

Stalin, we are told, once kept a parrot in a cage in his Kremlin apartment. The Soviet leader had the habit of pacing up and down in his rooms for long periods of time, smoking his pipe, brooding about God knows what, and occasionally spitting on the floor. One day the parrot, having observed this many times, tried to mimic Stalin's spitting. Stalin immediately reached into the cage and crushed the parrot's head with his pipe, instantly killing it.[4]

Stalin once had an independent-minded wife who was becoming concerned about the repressiveness of his policies. After she argued with him one night, either he shot and killed her, or—more likely—she shot and killed herself.[5]

Stalin once had a rival, Trotsky, whom he outmaneuvered, exiled and eventually had killed; he also killed everyone he could who had ever been associated with Trotsky or any other potential challenger, as well as hundreds of thousands of other

[3] Robert C. Tucker, *Stalin in Power: The Revolution from Above, 1928-1941*, New York: Norton, 1990, pp. 17-23, 60-64, 276-82, 482-86. Kliuchevskii is quoted on p. 22.

[4] Ibid., p. 147.

[5] Ibid., pp. 215-17. See also Dimitri Volkogonov, *Stalin: Triumph and Tragedy*, ed. and trans. by Harold Shukman, New York: Grove, Weidenfeld, 1991, p. 514.

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people who had never had anything to do with any opponents of his regime. Some three million Soviet citizens died, it is estimated, as a result of these purges.[6]

Stalin once had an idea: that in order to finance the industrialization that Marxist theory said had to take place before there could be a Marxist state, the Soviet government had to ensure a reliable supply of grain for export by forcibly collectivizing agriculture. The best estimate is that over 14 million Soviet citizens died from the famine, exiles, and executions that resulted.[7]

Stalin once presided over the fighting of a great war, in which at least another 26 million Soviet citizens were killed. When it was over, he congratulated himself not only on a great victory, but on the impressive territorial gains victory had brought. "Stalin looked at it this way," his foreign minister, V. M. Molotov, later recalled. "World War I has wrested one country from capitalist slavery; World War II has created a socialist system; and the third will finish off imperialism forever."[8]

My purpose, in reciting this litany, is to make the point that the United States and its allies, at the end of World War II, were not dealing with a normal, everyday, run-of-the-mill, statesmanlike head of government. They confronted instead a psychologically disturbed but fully functional and highly intelligent dictator who had projected his own personality not only onto those around him but onto an entire nation and had thereby, with catastrophic results, remade it in his image.[9] And he had completed that task, I might add, long before the Cold War policies of the United States could possibly have given him an excuse to do so. The twentieth century has been full of tragedies, but what Stalin did to the Soviet Union and, let us not forget, to its neighbors as well, must surely rank as among the greatest of them.

SO WHAT?

One might justifiably ask at this point, though: so what? Weren't Stalin's sins fully apparent decades ago, and didn't they figure prominently in the earliest orthodox accounts of Cold War origins? Isn't raising this issue now a matter of beating a horse that has not only long been dead, but is mummified, possibly even petrified? There are several reasons why I think this is not the case, why the nature of Stalinism is an issue to which

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[6] Robert Conquest, *The Great Terror: A Reassessment,* New York: Oxford University Press, 1990, p. 486.

[7] Robert Conquest, *The Harvest of Sorrow: Soviet Collectivization and the Terror-Famine.* New York: Oxford University Press, 1986, p. 306.

[8] Albert Resis, ed., *Molotov Remembers. Inside Kremlin Politics: Conversations with Felix Chuev,* Chicago: Ivan R. Dee, 1993, p. 63. This comment echoes a more famous one quoted long ago by Milovan Djilas: "The war shall soon be over. We shall recover in fifteen or twenty years, and then we'll have another go at it." *Conversations with Stalin*, trans. by Michael B. Petrovich, New York: Harcourt, Brace and World, 1962, pp. 114-15. World War II casualty figures are from Volkogonov, *Stalin*, p. 505.

[9] Alan Bullock, *Hitler and Stalin: Parallel Lives,* New York: Knopf, 1992, pp. 360-62, provides a clear explanation, based on psychiatric literature, of why paranoia need not be functionally disabling. On Stalin's intelligence, see Volkogonov, op. cit., pp. 225-36.

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Cold War historians will need to return.

First, archives are important, even if all they do is confirm old arguments. The new Soviet sources, however, may well do more than that: the evidence now becoming available suggests strongly that conditions inside the U.S.S.R., not just under Stalin but also under Lenin and several of Stalin's successors, were worse than most outside experts had ever suspected. Whether one is talking about the death toll from collectivization, the purges or the war; whether one considers the brutality with which the survivors were treated; whether one evaluates the economic and ecological damage inflicted on the territories in which they lived; whether one looks at what the Soviet system meant for other countries that got sucked into the Soviet sphere of influence—whatever dimensions of Soviet history one looks at, what is emerging from the archives are stories more horrifying than most of the images put forward, without the benefit of archives, by the Soviet Union's most strident critics while the Cold War was still going on.[10] That is, in itself, significant.

But there is a second reason why I think a reconsideration of Stalinism is in order, and it has to do with the way American historians of the Cold War have for too long thought about that conflict. They have preoccupied themselves primarily, as one might have expected, with the so-called First World, where most of the archives have been open for years. They have frequently challenged each other, quite correctly, to extend their horizons to include the Third World, and to give full attention to the often intrusive impact the United States has had on it. It is odd, though, that with all of their emphasis on the need for a genuinely international perspective, historians of United States foreign relations have made so little effort to understand what was really happening in—and what the impact of American policies was on—the Second World.

This omission resulted, in part, from inaccessibility. It was difficult to find out much because governments in the Soviet Union, China, Eastern Europe and other Marxist states kept so much so carefully hidden. Part of the problem also had to do, I suspect, with the lingering effects of McCarthyism: the ideological excesses of the late 1940s and the early 1950s so traumatized American academics that for decades afterward many of them avoided looking seriously at the possibility that communism might indeed have influenced the behavior of communist states. Because some charges of Soviet espionage were exaggerated, there was a tendency to assume that all of them had been, that the spies were simply figments of right-wing imaginations. Because gestures like Congressional "captive nations"

[10] I owe this point to my Ohio University colleague, Steven Miner. One controversial departure from this pattern is J. Arch Getty, Gábor T. Ritterspoon and Viktor N. Zemskov, "Victims of the Soviet Penal System in the Prewar Years: A First Approach on the Basis of Archival Evidence," *American Historical Review*, October 1993, pp. 1017-49. The bulletin and working papers of the Cold War International History Project at the Woodrow Wilson International Center for Scholars in Washington provide an extremely useful service in monitoring and evaluating new information from Soviet, East European and Chinese archives.

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resolutions appeared to be a form of pandering to ethnic constituencies, it was easy to lose sight of the fact that there really were captive nations. And perhaps some of us also worried that if we talked too explicitly about these kinds of things, we might wind up sounding like John Foster Dulles, or, for a more recent generation, Ronald Reagan.

There was another problem as well, though, that made it difficult to assess what was happening in the Second World. It had to do with an unfortunate tendency, derived from international relations theory, to accord equal legitimacy, and therefore more or less equal respectability, to each of the major states within the international system, while ignoring the circumstances that had brought them into existence and the means by which they remained in power. Because all nations seek power and influence, or so realist and neorealist theory tell us, it was not too difficult to conclude that they did so for equally valid reasons; that reasoning, in turn, led to a kind of moral equivalency doctrine in which the behavior of autocracies was thought to be little different from that of democracies.

This was not, to be sure, a universal tendency. Many Cold War historians have long argued that certain Third World autocracies held power illegitimately, and have vigorously condemned U.S. foreign policy for putting up with them. But not everyone who took this view was willing to grant equal attention to what those few citizens of the Second World who were free to speak had been saying all along during the Cold War, which was that communism as it was practiced in the Soviet Union really was, and had always been, at least as illegitimate and repressive a system. Now that they are free to speak—and act—the people of the former Soviet Union appear to have associated themselves more closely with President Reagan's famous indictment of that state as an "evil empire" than with more balanced academic assessments. The archives, as noted earlier, are providing documentary evidence for such an interpretation. And yet, these developments have not visibly altered the historians' actual preoccupation with the First World, their periodic exhortations to give greater emphasis to the Third World, and their corresponding neglect of the Second World, which badly needs the historiographical equivalent of an affirmative action policy.[11]

A truly international approach to American diplomatic history, I should think, would be one fully prepared to look into the mirror that Williams wrote about to see whether we have given adequate attention to a tragedy that has had the most profound consequences—extending over more than seven decades—for the largest nation on the face of the earth, and for most of the other nations that surrounded it.

THE RODNEY KING QUESTION

What would that mean, though, for the writing of Cold War history? The most

[11] For a critique of an earlier version of this article that illustrates my point eloquently, see Bruce Cummings, " 'Revising Postrevisionism,' or, The Poverty of Theory in Diplomatic History," *Diplomatic History*, Fall 1993, pp. 539-69.

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persistent issue historians of that subject have had to wrestle with is a variant of what we would today call the Rodney King question: couldn't we all have gotten along if we had really tried? The question was answered long ago with respect to another great dictator, Adolf Hitler: few people today have any difficulty with the proposition that Nazi Germany really did represent absolute evil, and that there was never any possibility that, if only we had tried, we could have gotten along with so odious a regime.

Nevertheless, American diplomatic historians have made, and still make, the argument that the United States should have undertaken a greater effort than it did at the beginning of the Cold War to "get along" with the Soviet Union.[12] They have tended to reject the notion, popular during that period, that Stalin was another Hitler, that what had evolved in the U.S.S.R. and Eastern Europe was not communism at all, but rather "Red Fascism." It is true that the Soviet autocrat did differ from his German counterpart in several important ways, not the least of which was that Stalin was more cautious than Hitler and would back down if confronted with the fact or at least the plausible prospect of resistance. Nor did Stalin ever seek the systematic extermination of an entire people: the Holocaust was, and remains, unique.

But as Robert C. Tucker and Alan Bullock have recently shown, the similarities between Stalin and Hitler far outweigh the differences.[13] These were both remarkably single-minded leaders, driven to dominate all those around them. They combined narcissism with paranoia in a way that equipped them superbly for the task of obtaining and holding onto power. They persisted even in the most unpromising circumstances; and although capable of tactical retreats, they were not to be swayed from their ultimate objectives. They were extraordinarily crafty, prepared to take miles when inches were given them. And, most important, they both had visions of security for themselves that meant complete insecurity for everyone else: we have long known that Hitler killed millions in pursuit of his vision, but we now know that Stalin killed many more.[14] It is really quite difficult, after reading careful studies like those of Tucker, Bullock, and also the Russian historian Dimitri Volkogonov, to see how there could have been any long-term basis for coexistence—for getting along—with either of these fun-

[12] The most recent major study to take this view—even as it acknowledges the repressiveness of Stalin's regime—is Leffler, op. cit., especially pp. 98-99.

[13] This paragraph summarizes several of the major arguments of Tucker, op. cit., and Bullock, op. cit. Tucker makes the similarities explicit on pp. 591-92 of his book; Bullock's entire book deals with them, but see especially pp. 347-52 and 726.

[14] Charles Maier estimates 20 million state-sanctioned deaths not resulting directly from military operations in the Soviet Union and its occupied territories between 1926 and 1953. His comparable figure for Germany and its occupied territories between 1933 and 1945 is 7 million to 8 million, which includes 4 million to 5 million Jews killed in the Holocaust. See *The Unmasterable Past: History, Holocaust, and German National Identity*, Cambridge: Harvard University Press, 1988, pp. 74-75. Alan Bullock gives the figure of 18 million "victims of Nazi brutality in the whole of Europe," including between 5.6 and 6.9 million Jews. See *Hitler and Stalin*, [cont'd]

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damentally evil dictators. One was dealing here with states that had been reshaped to reflect individuals; but these individuals, in turn, were incapable of functioning within the framework of mutual cooperation, indeed mutual coexistence, that any political system has to have if it is to ensure the survival of all of the parts that make it up.

The tragedy of Cold War history, then, is that although fascism was defeated in World War II, authoritarianism—as it had been nurtured and sustained by Marxism-Leninism—was not. That form of government was at the apex of its influence during the last half of the 1940s, even as the Soviet Union itself lay physically devastated: material conditions alone do not explain everything that happens in the world. As a result, Stalin was able to create or inspire imitators whose influence extended well past his own death in 1953.

Stalin's clones appeared first in Eastern Europe, where he installed regimes so scrupulous in following his example that they conducted their own purge trials during the late 1940s, a decade after the "Leader of Progressive Mankind" had shown the way. His influence was still present in that part of the world four decades later, as the careers of Erich Honecker, Nicolae Ceausescu, and their counterparts abundantly illustrate. Stalin certainly provided a model for the third great autocrat of the twentieth century, Mao Tse-tung, who it now appears had no interest in cooperating with the United States when he took power in China in 1949.[15] Despite his differences with Stalin's successors, Mao was still emulating Stalin himself when he launched the ill-conceived "Great Leap Forward" in 1957, a program of crash industrialization that is now believed to have cost the lives of some 30 million Chinese, a civilian death toll that may be higher than what Stalin and Hitler together managed to achieve.[16] And then there were all the little Stalins and Maos who appeared elsewhere in the world during the Cold War: Kim Il Sung, Ho Chi Minh, Pol Pot, Fidel Castro, Mengistu Haile-Miriam, Babrak Karmal, and many others, each of whom, like their teachers, promised liberation for their people but delivered repression.

Now, tyrants—even well-intentioned tyrants—are nothing new in history. Cer-

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[14] [cont'd] op. cit. pp. 808-9, 989. But Bullock's total presumably includes the direct victims of German military operations; Maier's does not. Robert Conquest's estimate of Soviet citizens who died as a result of collectivization and the purges is 17.5 million. See *The Harvest of Sorrow*, p. 306; and *The Great Terror*, pp. 485-86. But his figures do not include, as Maier's do, deaths in Soviet-occupied territories after 1939. Dimitri Volkogonov places the total for Stalin's victims, excluding all war losses, somewhat higher, at 19.5 million to 22 million. See *Stalin*, op. cit., p. 824. A maximum estimate of Hitler's noncombatant victims, then, would fall well short of half the minimum estimate of Stalin's.

[15] See, on this point, Shu Guang Zhang, *Deterrence and Strategic Culture: Chinese-American Confrontations, 1949-1958*, Ithaca: Cornell University Press, 1992, pp. 13-33, which is based on important new evidence from Chinese archives.

[16] Basil Ashton, Kenneth Hill, Alan Piazza and Robin Zeitz, "Famine in China, 1958-61," *Population and Development Review*, December 1984, 613-45. I am indebted to John Mueller for this reference.

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tainly the United States associated itself with its own share of repressive dictators throughout the Cold War, and had been doing so long before that conflict began. But there was something special about the Marxist-Leninist authoritarians, and it is going to be important for post-Cold War historians to understand what it was. They were, like Hitler, murderous idealists, driven to apply all of the energies they and the countries they ruled could command in an effort to implement a set of concepts that were ill-conceived, half-baked, and ultimately unworkable. They believed that, by sheer force of will, all obstacles could be overcome, and they were willing to pay whatever price was necessary in lives to overcome them. These were not hard-nosed realists but rather brutal romantics; that does not justify us, though, in romanticizing any of them.

REDISCOVERING KARL MARX

But just what was it about the twentieth century that allowed such romantics to gain such power during its first eight decades, and then so abruptly, at the end of the ninth, to lose it? After all, the great authoritarians were not alien visitors; they sprang from circumstances not of their own making, and they rose to preeminence by taking advantage—with astonishing skill and persistence—of the situations that surrounded them. History for a long time was on their side, and then it ceased to be. We need to understand why.

One way to find out might be to follow another piece of advice from William Appleman Williams, which is that we rediscover Karl Marx.[17] It was Marx, more than anyone else, who alerted us to the fact that there are long-term, "substructural" forces in history, and that they shape modes of economic production, forms of political organization, and even social consciousness. To use a term from more recent discoveries in the geological sciences, Marx exposed underlying "tectonic" processes that drive history forward, in much the same way that comparable processes push the continents around on the face of the earth. These forces by no means determine the actions of individuals, but they do establish the environment within which they act. "Men make their own history," Marx emphasized in his famous 1852 essay, "The Eighteenth *Brumaire* of Louis Bonaparte," "but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly found, given and transmitted from the past."[18]

We have neglected Marx's approach to history, I believe, for several reasons. First, we too easily confused Marxism with Marxism-Leninism, which was as thorough a perversion of Marx's own thinking as one can imagine. Second, Marx's incompetence as an economist, which was considerable, obscured his strengths as a historian. Third, Marx himself weakened his historical analysis

[17] William Appleman Williams, *The Great Evasion: An Essay on the Contemporary Relevance of Karl Marx and on the Wisdom of Admitting the Heretic into the Dialogue about America's Future*. Chicago: Quadrangle, 1964.

[18] Quoted in Robert C. Tucker, ed., *The Marx-Engels Reader*, 2nd ed. New York: Norton, 1978, p. 595.

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by falling victim to what we now recognize as the Fukuyama fallacy: this is the curious tendency of those who think that they have identified the ultimate "engine" of history to assume that history will stop with them.[19] Marx insisted that the progression from feudalism through capitalism to socialism and communism was irreversible, but that it would then for some reason end at that point.

What really appears to have happened is that one set of tectonic forces—industrialization, the emergence of class-consciousness and the alienation that flowed from it—undermined liberal, democratic, bourgeois, market capitalism late in the nineteenth and early in the twentieth centuries, thus paving the way for fascism, communism and the authoritarianism that accompanied them. But during the second half of the twentieth century these tectonic forces took on new forms—postindustrialization, the emergence of communications-consciousness and the alienation that flowed from it—which then undermined the foundations of authoritarianism and brought us around to our next historically determined phase, which turned out to be liberal, democratic, bourgeois, market capitalism all over again. Marx, it seems, had mixed up linear with cyclical processes in history, and that was a substantial error indeed. But it does not invalidate his larger insight into the existence of tectonic forces and the role they play in human affairs. That insight might well serve as a starting point for a reconsideration, not just of the Cold War, but of the twentieth century as a whole.

The great authoritarians of this century arose, from this perspective, because they were to turn historical tectonics to their own advantage: they were able to align their own actions with deep substructural forces, and thus convey an appearance of inevitability—of having history on their side—in most of what they did. With the passage of time, though, the historical tectonics shifted, the authoritarians' successors were unable to adapt, and they themselves became demoralized, with the result that their regimes collapsed very much as the dinosaurs did once the environment within which they had flourished no longer existed. One might even conclude from this that the Cold War's outcome was predetermined, and that the real tragedy of Cold War history was all the wasted effort the opponents of authoritarianism put into trying to bring about what was going to happen anyway.[20]

It is unlikely, though, that Marx would have taken this position, for despite his emphasis on underlying historical forces, he was no historical determinist. The authoritarians arose, he might well have argued, because a few key individuals made their own history by exploiting the circumstances that confronted them, circumstances that, at the time, presented them with immense possibilities. It was the *intersection* of

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[19] Named, of course, for Francis Fukuyama, who inauspiciously chose the summer of 1989 to publish a widely read article entitled "The End of History?" *The National Interest* Summer, 1989, pp. 3-18.

[20] I am indebted to one of my students, Philip Nash, for suggesting this point.

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action with environment that produced results, not action alone or environment alone. But once one admits that possibility, one also has to allow that the resistance to authoritarianism may have made a difference. It makes no sense to claim that dictators can exploit tectonic forces, but that their opponents can never do so. So let us consider the resistance to authoritarianism, and that gets us back to the actions the United States—and its allies—have taken in the affairs of this century.

If, as seems likely, the twentieth century is remembered as one whose history was largely shaped by the rise and fall of authoritarian regimes, then historians will have no choice but to debate the role the United States played in resisting them. They may conclude that the role was an active one: that the Americans harnessed tectonic forces even more successfully than the authoritarians did; and that after a protracted struggle the Wilsonian vision prevailed over those of Lenin, Stalin, Hitler, Mao, and their imitators. Or historians may see the American contribution as a more passive one: that it was one of holding the line, of providing evidence that authoritarianism need not be the only path to the future, until such time as the underlying tectonic forces shifted, thus undermining authoritarianism's foundations and bringing about the events we have recently witnessed. Or historians may find that the truth lay somewhere in between.

But whatever the direction these lines of interpretation eventually take, the role of the United States in resisting authoritarianism will be at the center of them. It would seem most appropriate, therefore, for historians of American foreign relations to be at the center of that debate. I see little evidence of that happening, though, and I wonder if this is not because those of us who work in this field have allowed Williams' "tragic" perspective to obscure our vision. We have turned a set of criticisms that might have been appropriate for particular policies at a particular time and place into something approaching a universal frame of reference. We have transformed what was, in its day, a profoundly unorthodox criticism of conventional wisdom into an orthodoxy that has now become conventional wisdom. Like most orthodoxies, it does not wear well; it distorts our understanding of our place in the world, and also of ourselves.

How often do we ask the question: tragedy as compared to what? Gaps exist, after all, between the aspirations and the accomplishments of all states, just as they do in the lives of all individuals; if they alone are to be our criteria for defining tragedy, then that is a characteristic inseparable from human existence, which rather weakens its analytical usefulness. If one defines tragedy according to the *extent* of the gap between aspirations and accomplishments, it becomes a more fruitful concept. But if one then compares gaps in terms of their extent, setting the American record against those of other great powers in the twentieth century, the tragedy appears more to fade out than to stand out. Perhaps that is why the United States is still the preferred destination of those who seek to leave their own countries in the hope of finding better lives: the truly oppressed

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normally flee away from their oppressor, not toward it. If historians are to take the voices of the oppressed seriously, we will need to listen to everything they are telling us, not just those parts of it that fit our preconceptions.

Americans are no more likely to be exempted from tragic processes in history than anyone else is; but historians have treated these processes in a shallow, shortsighted and antiseptic way. We need to regain a sense of what real tragedy, in this less-than-perfect world, is all about. That means comparing the American tragedy with the others that surrounded it. It means using history as a genuine way of learning, not simply as a convenient platform from which we hold forth, either in self-condemnation or self-congratulation. It means, in the most fundamental sense, meeting our obligations as historians, which involve being honest not only about ourselves but about the environment in which we have had to live. And it means according equal respect, as I fear we have not yet done, to all of the survivors, and to all of the dead.

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Review Essay

The Great (Wo)man Theory of History

Margaret Thatcher's Memoirs

Robin W. Winks

The Downing Street Years. BY MARGARET THATCHER. New York: HarperCollins, 1993, 914 pp. $30.00.

I cannot decide which is more compelling: Lady Thatcher's memoirs, this great intriguing gorget of a book, an artifact one holds in the hand—two hands, really—ever protective of its author's throat, or the range of reviews that have appeared in the British press, lengthy, opinionated, vituperative or self-serving statements that seem seldom to speak of the book, but rather to the self-image of the reviewer. There can be few memoirs in this century that are so open to attack by those who profess to inside information, yet are so consistently fascinating even for readers who, due to modesty or perhaps simply honesty, must read nearer to the surface level.

This is not an autobiography. Only once does Margaret Thatcher permit herself use of the word. She has, she is clear, written a memoir, which is (whatever the lazier dictionaries may tell us) quite a different matter. The scholar of self-revelation, Roy Pascal, has argued that the only successful books within the genre are those in which the reader can detect the author changing in the course of the autobiographical reexamination of the life being recorded—an author caught by surprise by the act of reconstructing a personal vision of the past. Lady Thatcher is never by herself surprised, and one can find not one instance in these 914 pages where she suggests that, in writing those

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pages, she changed her mind. What we have here is a memoir, perhaps a very fine one, but neither more nor less.

STYLE AND SUBSTANCE

The Downing Street Years is a shrewd construction. The British reviewers could not agree on whether it was readable—surely some found it not so, for the first "considered" reviews of this massive volume appeared in less than 24 hours after it was handed out to salivating reviewers—or whether it tells readers anything they do not already know. The answer to these two rather inconsequential questions is yes, and yes: the book is immensely readable, beautifully constructed, and except for one fairly long section (on the Westland affair) is quite clear even to the point of offering up primer-level asides on Keynesianism, or grant-maintained schools, or the "community charge," which is Lady Thatcher's term for the poll tax that contributed to her downfall. By nuance and shadow, by curl of lip and rise of eyebrow, if no more, it tells us a good bit we did not know, though at which we might have guessed. This book is that rare object: a political memoir of real force, not baked meats at the funeral parlor, not desiccated curriculum vitae put into orderly prose.

If the contents are persistently shrewd, and thus interesting, the concept of the book itself is equally shrewd. Here we have the first volume of a memoir that covers only the time when Margaret Thatcher was prime minister—from May 4, 1979 until November 28, 1990—and that so whets our appetite that we will actually buy and read volume two when it appears, in which she promises to tell us of her first 50 years, from grocer's daughter to leader of her party. More than 300,000 copies were bought in Britain in the first few days. More astonishing, 25,000 audio cassettes of the book, read by the Baroness herself, were snapped up by those who presumably wished to hear her voice as they drove to work this gloomy, frustrating autumn. Here is shrewd marketing worthy of the book's subject.

FOR AMERICAN READERS

American readers may not find *The Downing Street Years* quite so engrossing, despite efforts to cater to their needs. Footnotes explain esoteric matters and provide cross-references to sections in which a particular story is taken up again. The index is full, revealing, and rich with American reference points. There is a chronology; a full list of members of the cabinets, so that the seemingly endless preoccupation with shufflings in and out of favor can be referenced as the cast of characters grows too long for mere memory to contain; and most important for Americans, there is a list of 135 abbreviations, from ABM to WEU, for usages throughout the book. While attentive students of Britain will know what QUANGOS are (no? quasi-autonomous nongovernmental organizations), not all as they march across the pages will recognize IGC, NIS, or even CHOGM.

Most of the subjects American readers will hope to find covered by these memoirs are here, and often illuminatingly so. Lady Thatcher tells us that the Falklands War (no Las Malvinas here, and why should there be?) was the most significant event of her prime minister-

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ship, and she tells her story commandingly. Of Caspar Weinberger, the American defense secretary, she writes, "America never had a wiser patriot, nor Britain a truer friend." She has unkind thoughts for Jeane Kirkpatrick, the U.S. ambassador to the United Nations, who attended a gala dinner given by the Argentinean ambassador as the Argentine invasion of the Falklands was in progress. She says nothing particularly biting about Alexander Haig, the U.S. secretary of state, while managing to reveal exasperation with him, especially when the British ambassador, Nico Henderson, informed Haig of the British resolve to recover South Georgia "in the near future" and Haig said that he believed he must give the Argentine junta advance notice of the operation. "We were appalled. Nico Henderson persuaded him to think better of it," she observes with customary dry precision. Here, of course, one will wish to compare the view from Downing Street with Mr. Haig's own account of events.

Lady Thatcher provides less detail on the Anglo-American response to the Iraqi invasion of Kuwait, in good measure because the invasion occurred when her own world was being turned upside down, and in further measure because she "was not allowed by the Conservative Party to see through the campaign to throw Saddam Hussein out." She confides that with President Bush she learned "to defer . . . in conversation and not to stint the praise," which she was happy to do if a little humble pie would secure Britain's interests. (She does this with the Chinese too but does not think of humble pie while doing so.) She always found Vice President Dan Quayle "well briefed and with a good political sense"; she disagreed with Secretary of State James Baker in his insistence that U.N. authority was essential to military action in the gulf but does not appear to have disliked him for his views. And she is unstinting in her praise of and admiration for President Ronald Reagan. She found it "impossible not to like Jimmy Carter" but thought his analysis of the world around him badly flawed, while she remarks upon President Reagan's "warmth, charm and complete lack of affectation," his inspirational self-confidence and his grasp of the larger picture.

But this is a memoir which benefits from casting aside parochialism, which invites one to abandon mining the index for tidbits about one's own preoccupations and steadily draws the reader away from grazing and into the central subject, the same manner in which the Thatcher governments put an end to the steady drift, even by the Tories, toward ever more centralized government. What makes this book truly compelling reading is the author's account of her battles (for so she poses them) to restructure British industry, to reform trade unions, housing, education and the National Health Service, and, by privatizing public companies, to undo that which the Labour Party had wrought since World War II. Even the long sections on cabinet shufflings are made interesting by tracking the prime minister's choice of words as she shows where a person—Nigel Lawson, Michael Heseltine, Sir Geoffrey Howe, Douglas Hurd, John Major—stood in her estimation throughout these infinitely subtle, infinitely devious jugglings.

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PHOTOGRAPH BY PATRICK PIEL, GAMMA LIAISON

The Iron Lady visits Germany

To this reader the best chapter is on "Mr. Scargill's Insurrection," the year-long miners' strike of 1984-85. She can scarcely restrain herself as she describes Arthur Scargill, the president of the National Union of Mineworkers. She is so adept at demonstrating Scargill's apparent low cunning, she actually casts doubts on her own skill in handling the crisis, for one is bound to wonder whether Margaret Thatcher won or Arthur Scargill created his own defeat. She misses no opportunity for pouring scorn on Neil Kinnock, the leader of the Labour Party, who at best was "ill-advised," equally often engaged in a "fundamentally discreditable enterprise," and often was simply obtusely foolish. This chapter, unfolding in a tone of military urgency, can scarcely be put down, how-

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ever one may feel about the principals.

Above all, Margaret Thatcher was, by her own words, "perhaps . . . [the] principal cheerleader in NATO," and she never deviated from her fundamental belief, even when America's leaders failed to accept her point of view, that the United States is "the greatest force for liberty that the world has known." Her apparent affection for America and Americans, her ability to enjoy the company of a relaxed and informal president despite her own high degree of formality, her belief that there still was a special relationship between the two nations even as she dismissed the phrase, infuse her memoirs with a resonance that should make all that she has to say—whether on the miners' strike, her "little local difficulty" (the poll tax riots), or on South African policy—of interest to American readers.

THE JUDGMENT OF HISTORY

What then of those reviewers? Virtually all professed to know whether this or that portrait as drawn by Lady Thatcher was "fair," "just," "generous," and the like. A historian wonders how they could possibly know, unless they were present at the scene described; even when some reviewers were, what basis have we hapless readers for knowing precisely what Nigel Lawson, Geoffrey Howe, Roy Jenkins, or David Owen mean by such judgments? *The Downing Street Years* is not calculated to change anyone's mind: it is calculated to fix a particular view upon history as it will be recorded. There may be commentators brave enough, foolish enough to speak up now, but those with any bottom will wait a bit. Nigel Lawson, the chancellor of the exchequer and author of an equally massive memoir, told the readers of *The Evening Standard* that, "History will judge her more kindly than historians will this book." I believe he is wrong. Roy Jenkins complains of her "bland prose" in *The Observer,* and read against his own memoir perhaps he is right. I think he isn't. (If he wants bland, let him read Douglas Hurd's early spy thrillers.) The historian has only three requirements of any historical source: that it be interesting, that it be significant, and preferably that it be true. These are the tests *The Downing Street Years* must pass.

The first two tests are easy. The memoir of the most revolutionary Tory prime minister of postwar Britain is by definition significant. An author who can write a 50-page chapter entitled "Putting the World to Rights" without an apparent self-deprecatory smile is surely interesting. So is this also a reliable memoir? Is it true?

Of course not. There is much that is not here: no Oxford, indeed no academics; no emotion, no friends, no good meals described with pleasure, no trips relived with joy, and except for the logistics of how to change dresses between engagements, no apparent pleasure in clothes. This is the story of a politician, of a person who explains people's failures by noting that they were businessmen not politicians, the story of a political figure who (except for a passing reference to enjoying reading Frederick Forsyth and John le Carré, both dutifully noted in the omnivorous index) seems not to have read books, gone to the theater, enjoyed music, or played bridge. This is a book by and about an intense

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patriot who refers to Britain as "the mainland," who rightly views any compromise with terrorism as treachery, who puts Britain above all else and, because at times she may confuse herself with Britain, is ever mindful of her own position. Even the photographs appear to have been chosen to flatter: a handsome woman driving a new Challenger tank, a gracious lady shaking hands with a markedly stiff President Bush, an attentive listener casting an admiring glance at President Gorbachev at Brize Norton in 1987, a soignée lady walking next to an awkward Barbara Bush—everything here is contrived to create an impression. It is an impressive performance, an act of theater to which the question, "Is it true?" seems almost irrelevant.

There has been much discussion in Britain about how this book was put together. Did Margaret Thatcher write it? She pays warm tribute in her acknowledgements to Robin Harris, once director of the Conservative Research Department, as her "indispensable sherpa" who ensured that her expedition reached its destination in good order "and even attired with some elegance." She tells us that John O'Sullivan, a former member of her policy unit, "tuned up the arguments, pared the prose and pushed forward the narrative." She thanks Chris Collins, "our researcher," which (unless she has lapsed into the royal we) suggests more than one author. Yet, if she did not write every line of *The Downing Street Years*, indeed if she wrote only a few of them, this is her book and, yes, it is true to her perception of her place in history and how she won that place.

She won that place through luck, hard work, dogged attention to detail when it mattered, the iron will that earned her a most appropriate sobriquet, much courage, far more flexibility than she has been given credit for, and a clear intelligence. She was not an intellectual; indeed, the few genuine intellectuals who pass through these pages receive very short shrift. She was, apparently and on the evidence here, almost never wrong, though at times she misjudged a colleague who, she suggests, brought her into trouble. She mentions none of her defeats except for the last, when her colleagues abandoned her in the face of sharply declined popularity. (Some underling was always letting her down, from lack of attention, commitment, sincerity, or true grit.) There are many good lines, amusing anecdotes, and ostensibly revealing asides here, as when she was "always" asked how it felt to be a woman prime minister, to which she would reply that she didn't know: "I've never experienced the alternative."

Unlike those reviewers who purport to know when Lady Thatcher is fair, generous, mean-spirited and the like, this reviewer must confess to a lack of direct experience, save for one instance. It is not an instance one would ever forget. Mrs. Thatcher, as she then was, was minister for education and science between 1970 and 1974, in Ted Heath's government. I was cultural attaché at the American Embassy in London, assigned to renegotiate funding levels for the Fulbright program in the United Kingdom. The minister came to the first meeting and opened negotiations directly; no doubt the embassy should have been represented by someone of higher rank, and

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she was irritated. I had spent some hours in preparation and thought I knew all there was to know about the subject. Whether she had spent hours or only minutes I shall never know, but she knew far more than I knew and in a matter of a few well-framed paragraphs of spoken prose (one cannot help but admire people who speak in paragraphs) she wiped the floor with me. She was not, I think, fair and certainly not particularly gracious, but she had the facts utterly on her side.

HER RECORD

Many of those now commenting on *The Downing Street Years* have not, I think, actually read the book. There is no particular virtue, perhaps, in having done so, but by chance I read it, ever more closely as I found myself drawn into the cunning with which it is constructed, as I flew across the Atlantic and back this past October. A passing survey up and down the aisles of British Airways' manifestation of the Thatcher revolution revealed seven other readers, all equally intent on scribbling notes in margins and applying great, looping exclamation marks to page after page. Margaret Thatcher, for good or ill, with or without exclamation points and marginalia, proves the historian's contention that individuals do make a difference. It was she who defeated the wets and cast them (or most of them) from the Tory party; it was she who moved that party from being a clone of the earlier Labour Party, ready to accept as permanent the changes she was convinced had been destructive; it was she who rescued her political position through adroit handling of the Falklands War; it was she who saw the need to support Gorbachev, to draw close to Reagan; it was she who sought to put distance between her "mainland" and the large island of Europe, where a reunited Germany would, she was certain, forestall Britain's return to international greatness. For these judgments she will be praised and maligned, and the certitudes she set down so unreflectively in her memoir will provide abundant ammunition for either treatment. It would be wrong to suggest that she would not care about history's judgment: the bitterness, the longing, that breaks out on every page in her last chapter, as she recounts what she regards as her final betrayal by small men, shows just how much the Iron Lady is made of flesh and blood. A person who could lay on a French tutor so that she might get just right two paragraphs of ceremonial prose when addressing the Canadian House of Commons in French is not likely to be oblivious to her place in history.

This memoir is self-serving, certainly. It is incomplete, of course. It makes no attempt to tell both sides of the story. It is unforgiving of those who no longer would follow the gleam. It is almost devoid of abstractions, despite frequent references to the defense of values such as democracy, self-reliance, patriotism and courage. It is very revealing, perhaps when it least intends to be. In the end, as one closes these 914 pages, one is struck with two thoughts: how long, already, the author seems to have been gone, as the party she once led has staggered from one about-face to another. And how interesting it is to discover, in that voluminous, so-thorough index, that there is no entry at all under Margaret Thatcher. Of course there could not be; she is on every page.

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Review Essay

Did Ostpolitik Work?

The Path to German Reunification

Gordon A. Craig

In Europe's Name: Germany and the Divided Continent. BY TIMOTHY GARTON ASH. New York: Random House, 1993, 688 pp. $25.00.

In one of his last public speeches, at the Christian Democratic Union party congress in 1966, former West German Chancellor Konrad Adenauer delivered a defense of the "policy of strength" that had been the hallmark of his long tenure in office. Arguing by implication against détente and "change by rapprochement," then being advocated by the Social Democratic Party, which would soon be known as the new "Ostpolitik," Adenauer declared that the West must remain armed and vigilant. "We remain convinced," he said, "that Germany must be reunited in peace. . . . I will not give up hope that one day the Soviet Union will realize that the division of Germany and, with it, the division of Europe, is not to its advantage. We must watch to see when the moment comes, and when a time nears, or seems to near, that presents a favorable opportunity, then we must not leave it unused."

That moment came in 1989, when it dawned on Mikhail Gorbachev that his country was no longer capable of maintaining the European status quo. What brought him to that realization? Timothy Garton Ash tells us in his new book that when that question was put to the veteran Soviet diplomat, Valentin Falin, he answered, "Without Ostpolitik, no Gorbachev." But in an interview with the Hamburg weekly *Die Zeit*, Falin also said that the West had arms-raced the Soviets to death. Similarly, former West German chancellors Helmut Schmidt and Helmut Kohl and former Foreign Minister Hans Dietrich Genscher told the author that they believed that the crucial factor in forcing a revision of Soviet policy was the

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deployment of the Pershing and cruise missiles, and Kohl added that Gorbachev had told him that he agreed. But former West German Chancellor Willy Brandt, in his memoirs in 1989, also claimed Gorbachev's endorsement of his thesis that Ostpolitik was the crucial influence on his new thinking.

This will not be settled definitively until official files have been opened and analyzed by scholars, but until that time Timothy Garton Ash has performed a laudable service by enabling us to make at least a tentative judgment of the claims of the champions of Ostpolitik. On the basis of materials drawn from the papers of Brandt, Schmidt, Egon Bahr and such critics of Ostpolitik as Alois Mertes and Werner Marx, as well as his own intimate knowledge of the countries with which he deals, he has written what he describes as a book that "looks at the West German approach to reducing or overcoming the 'Yalta' division of Germany and Europe—Ostpolitik—in the light of other Western, East European, and Soviet approaches." This work concentrates on the words and deeds of those who were in power between the public proclamation of Ostpolitik in 1969-70 and the unification of Germany in 1989-90, and also on the activities of the Social Democrats when they were in opposition after 1982.

ORIGINS OF OSTPOLITIK

There was, of course, a German Ostpolitik before 1969. Leaving aside Adolf Hitler, who used the term to describe his efforts to create *Lebensraum* in the east for the Thousand-Year Reich, it must be remembered that Adenauer inaugurated an eastern policy when he went to Moscow in 1955 and signed a treaty that established diplomatic relations with the Soviet Union, and that Gerhard Schröder, foreign minister under Adenauer and Ludwig Erhard, sought to promote normalization (a perhaps overused word in the East-West dialogue of the 1970s) by concluding trade agreements throughout Eastern Europe. Kurt Georg Kiesinger, chancellor of the so-called Grand Coalition of the Christian Democratic Union, the Christian Social Union and Social Democratic parties from 1966 to 1969, was also proud of his Ostpolitik, which indeed anticipated certain features of the later policy. It recognized that German reunification could not be an end in itself but must be seen as the product of the overcoming or reducing of the division of Europe. But these early ventures were tentative and abortive, and the Grand Coalition's attempts to establish diplomatic relations with Hungary, Czechoslovakia and Bulgaria were blocked by the East Germans and Poles with the backing of the Soviet Union.

When we talk about Ostpolitik, therefore, we think automatically of the dramatic initiatives of Brandt. The policies of his government led to the negotiation of the whole complex of Eastern treaties in 1969-70, the dramatic struggle in the West German Bundestag to secure their ratification, and the West German elections of 1972, which were a kind of plebiscite on what was then called the new Ostpolitik. It was distinguished from earlier experiments by the idealistic rhetoric and the flair for theater of its chief spokesman, who captured the imagination of the world, winning the Nobel peace prize in 1971. Its energetic

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and consistent strategy was to seek German unification by lowering the barriers between East and West and by pursuing a European peace order by way of full recognition of the sovereignty and frontiers of existing East European states, including, paradoxically, the German Democratic Republic.

The chief strategist for the new Ostpolitik was Egon Bahr, Brandt's chief advisor on foreign affairs, about whom Garton Ash has many interesting things to say. This Metternich of détente, a title that he shares in Garton Ash's opinion with Henry Kissinger, saw that the failures of Schröder's and Kiesinger's original Ostpolitik demonstrated that no improvement of relations with the GDR or the states of Eastern Europe was possible without the support of the Soviet Union. Bahr's strategy was, he suggests, a kind of judo in which he sought, with considerable success, to use the weight of the Soviet Union to bring the GDR into diplomatic contact with the FRG. He realized, however, that as relations between the two German states improved, the Soviet Union and the Eastern states might, sooner or later, feel threatened unless they were compensated by an enhancement of their own relationships with Bonn. This would involve a delicate process of synchronization, which would have to be balanced, in view of Bonn's continued ties with the West, with better relations in that direction as well. Even before it was fully implemented, therefore, Bahr's policy was so complicated that there was danger that the continual tactical improvisation that it required would blur or obscure the ends sought. This turned out in the end to be true.

Throughout the years 1969-89, the centrality of Moscow was never doubted by the advocates of Ostpolitik. They were willing to pay dearly for Soviet collaboration, with economic aid, increased trade and recognition of all state frontiers in Europe, including the Oder-Neisse line as the western border of Poland. It seems clear enough that Soviet collaboration in détente was economically motivated from the start. This mutual interest was even strong enough to withstand military buildups during the 1970s—from 1970 to 1980 Bonn's military budget doubled—and a spate of missile jockeying during the early 1980s, in which Soviet multiple warhead SS-20 missiles were countered by Kohl's contentious deployment of Pershing II nuclear missiles.

LOOKING EAST

In East Germany, the apparent aim of the Ostpolitik of the governments of Brandt, Schmidt and Kohl was reform that would improve the liberties of GDR citizens and would be sustained by ever-increasing collaboration between what Brandt had called the "two states in one nation." The East German government tolerated the pressures for this because it wanted two things in return. The first was a substantive recognition of the communist regime. The second was hard currency. There was never any difficulty about the latter. The FRG was nothing if not generous, and it often seemed as if Ostpolitik was a system of outdoor relief for Eastern bureaucrats. The tendency in Bonn in the 1970s and 1980s was to take an idealistic view of the GDR, and politicians there closed their eyes to the political and economic realities of a bankrupt

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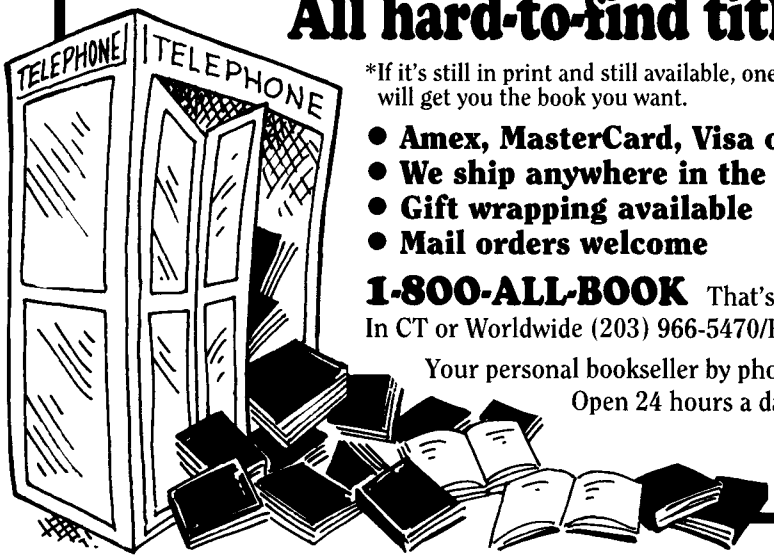

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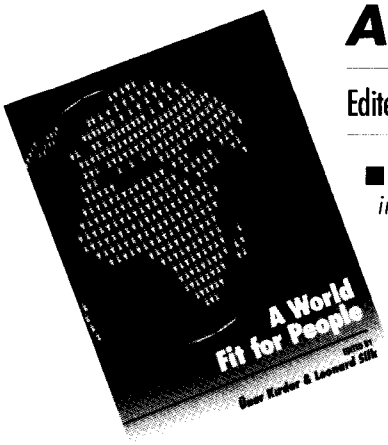

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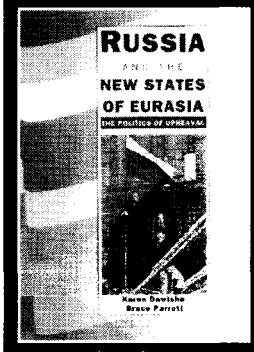

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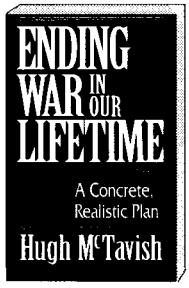

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regime. (Western illusions, Garton Ash suggests, reinforced Honecker's own.) This being so, there was little inclination to resist the pressure for an enhanced degree of recognition. When Honecker made his visit to Bonn in September 1987, it was difficult to distinguish between the honors and ceremony of his reception and what would have been accorded the ruler of a completely sovereign foreign state.

This excessive eagerness to satisfy GDR wishes was consonant with the general tendency of Bonn to seek liberalization of the regime by assuring it of understanding and sympathy, as if the best way to change the status quo was to recognize it. From Brandt to Kohl, Western leaders seemed intent on doing nothing that might encourage another uprising like that of June 17, 1953, when Soviet troops were brought in to crush riots over work quotas in East Berlin. Indeed, they were so bent on accommadating the wishes of the GDR rulers that they paid too little attention to their citizens, who surprised them in the end by staging another June 17th in Leipzig in November 1989. For their success in transforming the GDR from below, the revolutionaries received no gratitude from those who had believed so intensely in reform from above, and the present *Kleinkrieg* between *Ossis* and *Wessis* in the new Federal Republic derives in some part from that fact.

The same pattern was discernible in the Federal Republic's policy toward Eastern Europe. This was probably one of the undeniable successes of Ostpolitik, which with pressure and cash secured exit visas for 40,000 Germans in 1986, 80,000 in 1987 and 200,000 in 1988. Ironically, however, when new emigration policies in Poland and the Soviet Union brought those numbers to 377,000 in 1989 and 400,000 in 1990, public opinion in the Federal Republic became far less happy about the influx, which contributed to the success of right-wing parties and the attacks on foreigners that have characterized German politics since 1990.

HUGGING THE BEAR

For the rest of the expatriate Germans, the instruments of Ostpolitik in Eastern Europe were foreign trade and what was called *Verflechtung*, or weaving. The latter, which involved "developing almost every possible sort of tie: political, social, cultural, touristic, sporting, academic, technological, scientific, environmental, road or rail, animal, vegetable or mineral," was the special interest of Genscher and was pursued zealously in the belief that the more inclusive the network, the greater the possibility that those enclosed in it would begin to act like the net-makers. Similarly, as Eastern Europe became increasingly dependent upon West German trade, Bonn's use of government-guaranteed credits for debt-relief arrangements could be expected, it was thought, to promote economic and eventually political reform in the Eastern countries and a peaceful world order.

Unfortunately, aside from the profits from the Ostpolitik trade, none of this worked well on the political level. As Garton Ash writes:

> Western trade, credits and technology transfer were overwhelmingly channeled through organs under the central control of the party-state. They were used less to facilitate economic reform than as a sub-

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stitute for such reform. As a result of this systematic misapplication, the Western 'carrots,' far from setting these states on the path of sustained growth, with political modernization following economic modernization, instead helped them down the path to economic crisis.

Pressure to force the pace of reform in the form of sanctions, as advocated by the United States, was reprobated by the West Germans as being destabilizing and self-defeating. Their identification with the Eastern regimes was so complete that in the Helsinki negotiations they took a more active interest than their Western allies in the economic, technological and environmental cooperation mapped out in the treaty but took virtually no interest in the human rights issues. They were generally disapproving of protest movements from below. The Polish revolution of 1980-81, for example, shocked and embarrassed them. Fearing a Soviet intervention that, coming on the heels of the invasion of Afghanistan, might put a definite end to détente, they distanced themselves from Solidarity, which got most of its political, financial and moral support from the United States. When Genscher visited Warsaw in March 1981, talks with Solidarity were not on his schedule, and when Polish defense minister Wojciech Jaruzelski carried out his coup and martial law was declared in December 1981, leading members of the social-liberal coalition expressed relief, and Egon Bahr wrote that preserving world peace was more important than Poland.

OSTPOLITIK BECOMES IRRELEVANT

When Helmut Kohl became Chancellor in October 1982, he continued to follow the principles of Ostpolitik as laid down in 1969-1970, combining it, however, with a "Westpolitik" that placed a stronger emphasis on relations with the European Community and the United States and on the question of security. Leaving the center stage and going into opposition, the Social Democrats almost immediately set about recasting the doctrine that they had originally devised. Influenced by the crisis of détente caused by the Soviet invasion of Afghanistan and the wounding debate over the regional deployment of nuclear missiles by nato and the Warsaw bloc, their efforts had from the beginning an anti-American and anti-ideological cast, with much talk about the Europeanization of Europe, a renaissance of *Mitteleuropa*, and the subordination of differences in values between East and West to the overarching principle of peace. Nothing much was said about freedom or human rights violations in Eastern Europe.

In general, the drafts for a new détente policy had a quaint and musty air, and they were in any case irrelevant, for now the great revolution in the East, the collapse of the GDR, and the unification of Germany made Ostpolitik a dead issue. The astonishing thing about its last days is that none of its advocates expected what happened, and all of them had long since stopped believing in the unification of their country as anything more than the remotest of possibilities, if they thought of it at all. Thus, in the course of two decades,the increasing doctrinairism of the Ostpolitik process had eaten away its substance.

It is undeniable that, as Garton Ash points out in a rather involved chapter

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called "Findings," Ostpolitik brought some important benefits to people in East Berlin and East Germany (one thinks, for example, of the relaxation of travel standards). Through its strategy of weaving, it also did a great deal to bring the attractions of the West home to the peoples of Eastern Europe. It was even more successful in persuading the Soviet Union that Germany was no longer a threat, and that in fact Germany was its most promising and important economic partner. This doubtless influenced Gorbachev's behavior during the crisis of German unification (although surely no more than George Bush's unwavering support of unification and his insistence on the new Germany's right to belong to NATO). But in view of the things that Ostpolitik did not do, surely the salient issue is whether over the long haul the more differentiated policy of the United States, with its readiness to use sanctions as well as economic incentives, its public support of human rights and those fighting for them, and the higher priority it placed upon the element of force in diplomacy, did not after all contribute more to what happened in 1989-90 than all the maneuvers and compromises of Genscherism. The author raises this question but makes rather heavy weather of it, saying in effect that it is too complicated to be answered plainly.

Garton Ash does not make it easy for his readers. The book's title is imprecise and misleading, and its theme is defined only after 47 pages of distracting maneuvering around it. The decision to discuss in separate sections the development of Ostpolitik in the Soviet Union, East Germany and Eastern Europe ("the three intersecting circles of direct German Ostpolitik") causes repetition and some chronological confusion. Reference is sometimes made to things that are never properly identified or explained (the Palme Commission, for example, and the Harmel Report), which is irritating. There is perhaps too much rumination in this book, and consequently too many *longueurs*. While one cannot but admire the author's ingenuity in discovering ever-new aspects of the problems he discusses and ever-new objections to what one thought were his conclusions, one longs for the clean and unclotted prose of his earlier books. In view of the new material presented here and the sharpness of the author's insights, this is a pity.

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Review Essay

Targeting the Middle Class

That's Where the Money Is

Henry Owen

Facing Up: How to Rescue the Economy from Crushing Debt and Restore the American Dream. By Peter G. Peterson. New York: Simon and Schuster, 1993, 316 pp. $22.00.

During the 1992 election campaign, at least one person agreed with Peter G. Peterson: Governor Bill Clinton. Candidate Clinton said that, as president, he would focus on America's economic problems. Reducing the federal budget deficit, he emphasized, was the key to America's future, both at home and abroad. If the present deficits continued there would be too little savings to finance the investments needed to increase American productivity; both our domestic prosperity and our external influence would decline.

That is the theme of the book. But what no presidential candidate could say, Peterson, a prominent investment banker, does: cutting middle-class entitlements is the most important step needed to close that deficit, and assembling a political coalition to do this and the other tasks required to eliminate the deficit should be our main business.

Peterson believes that President Clinton is headed in the right direction. But he also believes that in proposing his first budget the president could have found public and political support for an economic package that would have much more drastically reduced the federal deficit—through a combination of massive spending cuts and new taxes that would have hurt the middle class in the short run but helped it over the long term. Instead, he contends, the president spared the middle class and left a deficit still large enough to threaten America's future.

Henry Owen was Ambassador-at-Large in charge of preparations for the Group of Seven economic summits, 1977-1981, and is now a consultant to Salomon Brothers, Inc.

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RED INK BLUES

This summary does not do justice to the detailed and comprehensive probing of Peterson's book. It does not, for example, include the book's passing conclusion that Marine Corps forces should be dependent on Navy support aviation, which will astonish anyone whose wartime service brought him or her close to those two forces. But the book's main thesis is as stated above, and it deserves our attention.

Why should readers of *Foreign Affairs* tackle a book explaining this thesis? Shouldn't we stick to reading about Haiti, Bosnia and Somalia? This question, as natural as it is misguided, prevents a lot of intelligent people from doing what must be done if a stable and peaceful world is to be preserved. That world could still exist if Somalia and Haiti were run by dictators, and even if Bosnia's borders were settled by a local war instead of by negotiation. But it cannot exist if the U.S. economy, which is still by far the most powerful in the world, continues to go downhill.

That happened once before. In the 1920s U.S. exports of capital and imports of goods helped keep both Japan and Europe going. Then came the Depression—brought on by the unregulated U.S. stock market's excesses and compounded by protectionist trade measures, as well as by the lack of an international bank of last resort, which Charlie Kindleberger's work has done so much to underline. This Depression brought about changes in the world that few had foreseen: the overthrow of peaceful parliamentary regimes in both Japan and Germany, leading to a war that destroyed about 20 million people.

There is one big difference, however, between this earlier period and now. The current threat is not that we will have a sudden depression and crisis. It is rather that there will be a gradual decline in U.S. economic well-being and power. Peterson suggests that this gradual decline may be slowed for a while by large U.S. borrowing abroad—to replace the domestic savings that we need but cannot mobilize. But, as he explains, this will be but a temporary device: Germany and Japan need an increasing amount of savings to meet their own needs at home—to restore eastern Germany and to finance rising Japanese consumption.

Peterson's argument is that U.S. economic weakness will, over the longer term, pose a growing national security threat. This is partly the case because it will engender growing protectionism, which will in turn generate increasing frictions among the three main industrial regions, and partly because it will weaken the United States both at home and in its leadership abroad.

THE CRITICS

It is only fair to point out that Peterson's diagnosis and prescription are not accepted by all economists. A number of Nobel Prize winners recently signed a statement suggesting that what the economy needs most is short-term stimulus to reduce unemployment—not taxes and expenditure cuts to increase it. Peterson agrees that there is a problem of timing; in view of the current state of the economy, he wants to phase in his program gradually. But he would not abandon it,

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arguing with some cogency that unless we face our long-term problem now, we will drift toward an ever-more troubled economy as a result of ever-lower levels of private savings and private investment.

Peterson's critics argue also that there is no necessary advantage in having private, rather than public, investment. Why not, they argue, concentrate on the latter, even if it does increase the deficit? In reply, Peterson focuses on the heavy burden that this growing deficit will impose on future generations. This argument, which recurs throughout the book, is central to his goal: a balanced budget by the year 2000.

He believes that selective public investment, to meet needs that are not likely to be covered by private investment, can be reconciled with this goal—as can measures to help the poor and to protect them from the effects of the expenditure cuts and tax increases that he proposes for the middle class. The fact that he wants to accomplish all this and still eliminate the budget deficit in seven years gives you some idea as to how drastic his program is.

We could drown in arguments about the details of that program. But the book's central thesis rings true: that only if the budget deficit is drastically reduced can our country mobilize the savings needed to mount the investment that will spur future growth and thus offer jobs to those who need them most—those at the bottom of the economic pyramid.

THE POLITICS OF DEFICIT-BUSTING

Washington's persistent failure to close its budget deficits has had an effect on Peterson similar to the effect that the French Assembly's 1955 defeat of the European Army proposal had on Jean Monnet. In both cases, these two proponents of change decided that they had to build a pro-change constituency outside of government. Monnet created the Action Committee for a United States of Europe; Peterson, who is chairman of the Council on Foreign Relations, persuaded ex-Senators Paul Tsongas of Massachusetts and Warren Rudman of New Hampshire to join him in creating the Concord Coalition, to lobby for the drastic budget-reduction package outlined in some detail in the final chapter of his book.

It is a long shot to expect the coalition to have this effect. But the United States has at times achieved the consensus needed for drastic action, even when the conventional wisdom was that such action was politically impossible. Peterson points out that "when [President Truman] launched the Marshall Plan, only 14 percent of Americans supported him," and yet he "ultimately persuaded the public to pay for it—to devote nearly a sixth of an enlarged but balanced federal budget to aiding countries emerging from the wreckage of war."

The Marshall Plan was a proposal addressed to international needs. It reflected the fact that the postwar economy was, indeed, a world economy.

Perhaps a realistic U.S. fiscal policy would be more likely to come about if it were adopted in an international context. An interesting precedent: in 1978 President Carter wanted to decontrol oil prices but the Congress passed the Dole resolution, warning him not to do so; both Republicans and Democrats agreed

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that it was too unpopular. Then Carter made an international deal at the Bonn economic summit: the other G-7 countries agreed to negotiate large cuts in certain trade barriers, and Germany and Japan agreed to stimulate their economies in return for a U.S. pledge to decontrol oil prices. When U.S. oil price controls expired and the president did not renew them, the Congress did nothing to force their extension. Perhaps enough of its members recognized that Carter's policy was part of a useful international bargain that had helped the United States. Our allies, in turn, thought that the U.S. action had done much to overcome the world oil shortage, so that the bargain had served their interests too.

DAUMIER, THE BETTMANN ARCHIVE

Suppose today that a presidential program to balance the U.S. budget by the year 2000 was part of an international bargain? Suppose that the seven main industrial countries agreed, at their economic summit next summer, to set up a system for bringing greater order into the making of fiscal and monetary policy—accepting a formula that limited each of their budget deficits to a given percentage of their GDP and of their total budget, taking account of their varying savings rates. (Countries with high savings rates would be allowed to run higher budget deficits than those with low savings rates.) Suppose that the International Monetary Fund (IMF) were charged with monitoring this agreement—offering sharp public judgments *urbi et orbi* as to whether each of the G-7 was observing or violating its terms.

Most of the G-7 heads of government want to limit their budget deficits but are having political trouble doing so. They might welcome the leverage that such an international agreement could provide. Japan has a different problem: it needs a larger deficit, but it also has a high savings rate, so that it can more readily finance that deficit. The formula proposed above would take account of these divergences, and it might help the leaders of each of the G-7 countries to develop realistic fiscal policies. The fact that the United States had exercised leadership in bringing about this agreement might make it easier for us to help carry it out. Peterson's program might thus be brought closer to fulfillment.

Whether or not this international

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strategy is carried out, Peterson's book describes our problems perceptively: our high budget deficits, our low savings rate, and their consequences. He offers drastic and useful remedies and describes the coalition that he hopes will create political support for them. If there is any new book that every American should be urged to read it, this is it.

Even if Peterson's program were adopted, we would still face many economic problems—partly because of other structural problems that slow growth in the United States and even more in Europe and Japan, and partly because of declining support for the global economic institutions (GATT, IMF, World Bank) that have done so much to create a better world since World War II—a decline that another private grassroots organization, the Bretton Woods Committee, is working hard to reverse. Peterson's program is a giant first step toward strengthening the world economy. In the United States it is the heart of the matter.

(Editor's note: The January/February issue of Foreign Affairs, *like our former "America and the World" issue, will not contain a section of brief book reviews. "Recent Books on International Relations" will appear in all five other issues of the magazine.)*

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Letters to the Editor

Building a New NATO at Russia's Expense

From *Alexei Pushkov*

To the Editor:

Expanding NATO membership to include East European countries while leaving Russia aside, as advocated by three RAND Corporation analysts in the September/October *Foreign Affairs*, would be playing with fire.

Ronald Asmus, Richard Kugler and Stephen Larrabee argue that inclusion in NATO of Poland, Hungary and the Czech Republic would stabilize democracy, assist economic reform and stem authoritarian backsliding. As evidence, they point to benefits such as these that supposedly accrued to Portugal, Spain, Greece and Turkey from NATO membership.

Membership in the alliance probably has played its part. In recent years no serious attempts at authoritarian backlash have taken place in either Greece or Portugal. Still, NATO put up for almost 30 years with the dictatorships of Spain's Franco and Portugal's Salazar, and reconciled itself with successive military regimes in Turkey. Finally, NATO did nothing to prevent in Greece the 1967 coup of the "black colonels," who subsequently ruled a member country of a democratic alliance for seven years. Dictators come to power not because a given country does not belong to an alliance of democratic states but for much more profound reasons.

Even less logical an argument is the claim that the inclusion of Poland, the Czech Republic and Hungary in NATO would contribute to their economic progress. That subject is more appropriate for the European Community, but its reservations feed suspicions that the idea of a new NATO is prompted by more important considerations than concern for East European democracy or economies.

Military-political alliances do not exist for the sake of abstraction or charitable purposes. They are always directed against someone or something. Ethnic conflicts in Europe could be a good target. But to meet this end it is hardly necessary to broaden NATO by admitting some states and rejecting others. Besides, the Visegrad countries of Poland, Hungary and the Czech Republic do not hide a particularly important potential for ethnic conflict, especially in comparison with the Balkans. The conclusion to be made is that NATO expansion to Eastern Europe can be directed only against one country: Russia.

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Particularly disturbing is that the concept of a new NATO implicitly or even explicitly includes intentions to play the Baltic countries and Ukraine off Moscow by considering them for NATO membership sometime after the entry of the Visegrad states. The trio from RAND see Ukraine as an important strategic buffer between Europe and Russia and recommend strong resistance to any Russian effort to reincorporate Ukraine.

Even if a new ruler comes to the Kremlin, none of the Russian political forces who have real claims to power after the October defeat of the extreme communist and nationalist opposition can be viewed as intending to annex Ukraine forcibly. Should national-radicals come to power in Moscow as a result of some dramatic events and make war against Ukraine, which is highly improbable in itself, the West will be unable to do anything, for it will not wage war against Russia over Ukraine.

Thus, any talk about using Ukraine as a counterbalance to Russia is politically meaningless. But such talk does disturb Russia. It should not be forgotten that about ten million Russians live in Ukraine. Any real conflict between the two countries could bring about the disintegration of Ukraine with a subsequent confrontation like that in the former Yugoslavia, but multiplied by ten.

The security and economic "confidence building" measures that the RAND analysts offer up to allay Russian concerns are designed to justify the ugly-looking idea of a new *cordon sanitaire* between the West and Russia. The authors then place the burden on Russia for whether an expanded NATO is a friendly partner or an anti-Russian alliance, based on the success or failure of democratization. But attempts to isolate Russia, to throw it back beyond Europe's confines, in the end only play into the hands of those antidemocratic forces in Russia who tend to view the West with a lot of distrust or even animosity.

It is mistaken and naive to think that with Yeltsin's October victory versus his hard-line enemies Russia has made its final choice in domestic as well as foreign policy. In fact the national consensus on these policies is still in the making, and it may yet take different forms. At this critical stage, an enlargement of NATO interpreted as a move against Russia risks to distort heavily the formation of this consensus, to foment additional tensions in the society and to eclipse the prospects for the political stability that Russia so desperately needs. Such a decision would also give an excellent pretext to those who call for a de facto imperialist policy toward the former Soviet republics.

The West should not risk fabricating an enemy out of Russia just to have a post-Cold War raison d'être for NATO.

ALEXEI PUSHKOV
Deputy Editor-in-Chief, Moscow News
and a former speech writer and foreign policy analyst for President Mikhail Gorbachev

To the Editor:

In one respect or another, your recent articles on "Should the West Go East?" are wrong-headed about the possibilities for changing NATO. Asmus, Kugler and Larrabee recommend the addition to NATO of a few former East bloc states but not Russia—a formula that does not correspond to the new reality. Harries pin-

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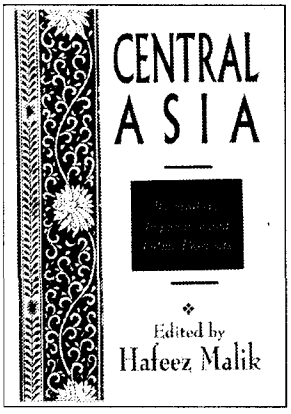

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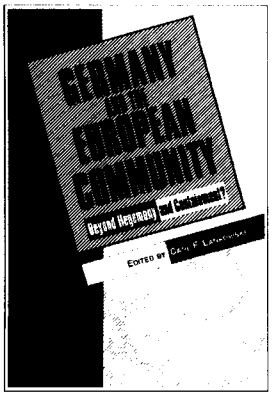

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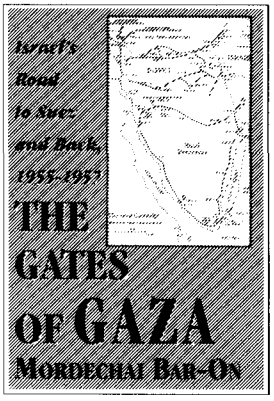

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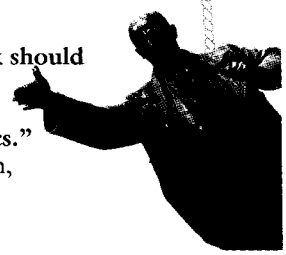

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points the error of defining the West as synonymous with longtime NATO members but goes only halfway in his recommendations for evolution.

NATO cannot be transformed only marginally if it is to reflect the revolutionary philosophical convergence between the former West and East. With the end of the Cold War, there is now no dividing line but rather common democratic, social and security interests. We live in a safer climate. There is, in fact, no European security vacuum. There is no need for collective defense. NATO acceptance of only a few new members, among them the Czech Republic, is the de facto exclusion of others (Russia), thus re-creating the division of Europe. This can be dangerous. And the chief reason that some former East bloc nations are eager to join NATO is their desire to solve internal problems or to add luster to the reputations of their struggling politicians by identifying them with NATO—an easy populist gesture that brings no additional international responsibilities.

Security today is not a military challenge. No one needs or can afford massive armed forces, though rapid-deployment forces may help solve various local and regional security problems. And the main reason NATO must either change radically or vanish is not that it has lost its enemy, as is often said, but that NATO is not able to accept new partners on a universal basis. And its military bureaucrats and those political scientists wedded to "catastrophic scenarios," some of them at RAND, may be unable to focus on the new agenda.

The new agenda for security bodies is crisis management. If this agenda is to be faced, some inclusive organizational structure with regional substructures must work on conflict prevention and solution. This structure could be a new, much broader NATO, or a better organized Conference on Security and Cooperation in Europe, or the new European Security Community proposed by Egon Bahr, director of the Institute for Peace Research and Security Policy in Hamburg.

MIROSLAV POLREICH

Czechoslavak Ambassador in Vienna for CSCE and for arms limitation negotiations, 1990–1992

ANCIENT HATREDS, MODERN PASSIONS

To the Editor:

(Re: Conor Cruise O'Brien, "The Wrath of Ages," November/December 1993) The argument I make in *The Wrath of Nations* is that modern nationalism is a contemporary expression of primordial human attachments to community and hence cannot be discounted as some transient passage or primitive reversion in the onward march of history. I also contend that the modern western embrace of ethnic nationalism (in the 1918 settlements, the U.N. Charter, the Vance-Owen and Owen-Stoltenberg plans, and U.S. foreign policy) has been a considerable mistake, with a price in blood yet to be fully paid.

I argue that forms of internationalism nonetheless have in this retrograde century been responsible for crimes grossly worse than any for which nationalism can yet be held responsible. I say that Americans', and West Europeans', failure to understand nationalism is already responsible for the collapse of the crucial

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political accomplishment of the past half-century: Europe's pacification. I say this is a serious matter. O'Brien seems to think otherwise.

Indeed, he sometimes seems deliberately perverse. Do I really have to spell out to the readers of my book that modern nationalism is connected to the emergence of the modern nation-state? And that ethnic nationalism (O'Brien denies this distinction, but he is wrong, and it is a crucial point) is a political consequence of revolution and Romanticism? It was at the time of these latter movements that, in the great Lord Acton's words, "the vanity and peril of national claims founded on no political tradition, but on race alone" first appeared in Europe. I would be mad to suggest that clan, communal and dynastic loyalties and patriotism (attachment to *patria,* land of one's fathers), forms of proto-national feeling, did not exist before the modern nation-state—least of all in that "other Eden, demi-paradise," which required a hundred years of war to decide whether it was French or English.

Modern nationalism obviously has its historical sources, as O'Brien amply informs us, but it nonetheless is modern. The England of Richard II was still speaking Norman French in its law courts. Machiavelli's Italy would not become a nation for another three centuries (and may not remain one). There still is no Arab nation. Much of O'Brien's grumbling seems to be for something to say, or for the sport of it, and while I have sufficient Irish in me (maternal line) to appreciate the fun, I wonder if this advances the argument. I certainly do not think it useful to describe Nazism, as he does, as a mere struggle by the Germans for a superior *"place à table."*

As for O'Brien's denunciation of the "go anywhere, do anything" approach to "new world orders," I agree with nearly everything he writes. Why shouldn't I? I have for years been writing the same thing myself. Why does he think that I now think otherwise? Or does he simply think that he knows what an American would think? I wrote parenthetically that contemporary Africa would benefit from a disinterested neocolonialism, and it would. But I also wrote that it is not going to get it, and that Africans anyway would reject it, being no less unreasonable than the rest of us.

On the other hand I did not write that Yugoslavia needs a "military intervention to bring about a political solution." I said that the European powers will pay heavily for not having upheld the rule, or solution, already established at some considerable cost to themselves (and ourselves) 50 years ago, that conflicts in Europe today are to be resolved through political means and not military aggression. O'Brien's argument that massive and politically unsustainable foreign military intervention would have been the only way to alter the course of the Yugoslav tragedy is the usual alibi for the Europeans (or for that matter, Americans) having done nothing.

WILLIAM PFAFF

Conor Cruise O'Brien replies:

Mr. Pfaff should read his own book. He now tells us that "the argument I made in *The Wrath of Nations* is that modern nationalism is a contemporary expression of primordial human attach-

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ments," etc., etc. But on the second page of his first chapter he said: "Nationalism is usually thought a primordial historical phenomenon. . . . This is not true. Nationalism is a phenomenon of the European nineteenth century."

It is true that near the end of the book (in a passage quoted in my review) Pfaff defines nationalism differently, in line with what he now tells us is "the argument" of his book. But as he nears the end, he seems to have forgotten what he said in the beginning. This book bears the marks of hasty and unrevised writing, not only on this point, but generally. I let him off rather lightly in my review, but his present bluster obliges me to be more blunt.

Pfaff asks me why I take him for a member of the "go anywhere, do anything" school. Why, because of some of the things he writes. Notable among these is his wild suggestion that it would be better if the United Nations "would reimpose a form of paternalist neocolonialism in most of Africa." Somalia makes a promising start for this modest undertaking. It is true that, having made this suggestion, Pfaff implies elsewhere that it would be unworkable. As a guide to the world we live in, he is a bit unsteady.

With reference to me, Pfaff asks, "Or does he simply think that he knows what an American would think?" Not being an idiot, I think nothing of the kind. I was reviewing one particular book, by one particular author, who happens to be American. The only ethnic stereotyping that has cropped up in this argument is contained in the "Irish" reference in Pfaff's reply.

In the review about which Pfaff complains, I refer to him as "a well-known and respected commentator." If he continues to let his temper get the better of him, as in his reply to that review, he will be in some danger of losing one of those adjectives.

PASSING DOWN THE CHILEAN RECIPE

To the Editor:

Angelo Codevilla's excellent article on "Is Pinochet the Model?" impels me to repeat some comments that I made in a *Newsweek* column more than eleven years ago (January 25, 1982):

"Chile is an exception, not the rule. The military is hierarchical and its personnel are imbued with the tradition that some give and some obey orders: it is organized from the top down. A free market is the reverse. It is voluntaristic, authority is dispersed; bargaining, not submission to orders, is the watchword; it is organized from the bottom up. . . .

"Chile is an economic miracle . . . [but] Chile is an even more amazing political miracle. A military regime has supported reforms that reduce sharply the role of the state and replace control from the top with control from the bottom.

"This political miracle is the product of an unusual set of circumstances." (Dr. Codevilla gives an excellent analysis and discussion of these circumstances.)

"I predict that the free-market policy will not last unless the military government is replaced by a civilian government dedicated to political liberty. . . . Otherwise, sooner or later . . . economic freedom will succumb to the authoritarian character of the military."

I fully agree with Codevilla's conclu-

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sion that the key lesson from Chile is that "the withering away of the state" is the necessary condition for economic progress. I go further than he does with respect to foreign aid. I believe along with Lord Peter Bauer and others that foreign aid has almost invariably been harmful to the country receiving it precisely because it tends to retard or prevent "the withering away of the state."

MILTON FRIEDMAN

Senior Research Fellow, the Hoover Institution on War, Revolution, and Peace

IS JORDAN DOOMED? YES

To the Editor:

Lawrence Tal ("Is Jordan Doomed?" September/October 1993) presents a sober and clear analysis of the risks facing Jordan should the PLO-Israeli accords eventuate in a Palestinian state. Most observers, including Israel's current leaders, contemplate that very prospect as the likely outcome of the recent decisions, despite public rhetoric to the contrary. A mini-Palestine, demilitarized and economically integrated with, if not dependent upon, Israel will likely emerge and seek to confederate with Jordan, uniting Palestinians on both banks of the Jordan River.

That the prospect of confederation is less than appealing to Jordan's Hashemites has received little serious attention outside Jordan. Tal renders a real service by posing the question of whether such a development would doom Jordan as we know it. While he consistently argues that a confederation of Palestine and Jordan will come about, with the Palestinian component clearly the stronger, Tal pulls his punch with a sanguine conclusion that somehow or other the Jordanian state will remain intact.

It is difficult to share this conclusion. The likely prospect following confederation is a democratic, mainly secular government in which the Hashemite crown would reign rather than rule. Palestinians' economic acumen, aided by billions of dollars in international assistance and direct Israeli involvement, will assure their place as the dominant demographic group. The most startling statistic Tal cites is that, even today, Jordan's per capita GNP is lower than that of either the West Bank or Gaza. Moreover, substantial expatriate Palestinian capital and entrepreneurship will be deployed to assist Palestinian projects. As Tal notes, a diversion of Palestinian funds from Amman to West Bank financial institutions would send Jordan's economy into severe crisis.

Nor does it seem likely that King Hussein can slow the forces of democratization in Jordan, as he now seems to acknowledge in going ahead with scheduled parliamentary elections. When the Palestinian dimension emerges more clearly after final status is reached, political parties attuned to a Palestinian agenda will likely assert themselves and eventually dominate the Jordanian political process, especially after King Hussein passes from the scene. Jordanian nationalism is strongly tied to the person of King Hussein.

A democratic confederation, with full Hashemite participation, should be encouraged. The merger of Palestine and Jordan offers the chance for a secular, economically prosperous entity to flourish, defying the long-held view that

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democracy cannot take root in the Arab world. That prospect is important for Arabs, and it is also the surest guarantee of peaceful relations with Israel.

RITA E. HAUSER
President, The Hauser Foundation

INFLUENTIAL ARABISTS?

To the Editor:

William Quandt in his review of my book, *The Arabists* (November/December 1993), accuses me of "ignoring their [the Arabists'] successes." Pages 207-229 of my book are solely devoted to documenting the rescue of 12,000 Ethiopian Jews carried out by two Arabic-speaking Foreign Service officers. Pages 267 and 301 document the Arabist role in freeing an American from an Iraqi prison, surviving an embassy siege in Kuwait, and carrying out the 1988 re-flagging operation in the Gulf "without a hitch." Page 137 covers how, without making concessions, Arabists preserved relations with Saudi Arabia. Page 160 and a caption plate mention the successful evacuation of Americans carried out by Arabist Talcott Seelye. Pages 232-233 cover the Arabist role in uncovering Saudi missiles capable of reaching Israel. This is in addition to the feats of heroism by Arabist missionaries in the nineteenth century that I document.

Quandt says I quote "approvingly" a negative statement about Arabists by Francis Fukuyama. On page seven of the book, immediately after the Fukuyama quotation, I quote Nicholas Veliotis, who "sharply disagrees" with Fukuyama.

Quandt says that my "prototypical figure of the early Arabist, Loy Henderson, was not an Arabist at all." Indeed, on page 98 I write that Henderson "did not speak Arabic and spent only two of his ninety-three years living in the Arab world." My point, made absolutely clear in the book, was that because of both his harsh anti-Israel views and his loyalty to the Foreign Service, Henderson, despite his not being an Arabist, ironically became a prototype.

Quandt says I "have made no effort to interview [Ambassador April] Glaspie." From June 1991 through November 1992 I made repeated attempts to convince Glaspie to meet with me for a lengthy profile of her version of events, as well as her diplomatic life prior to Iraq. These attempts were made in three phone conversations with Glaspie, in letters, faxes and a request through the public affairs office of the State Department Bureau of Near Eastern Affairs in autumn 1992. Nevertheless, Glaspie did provide me with some direct information, such as details about her honor awards and her challenge to Saddam Hussein to remove his sidearm in her presence. This material is in the book.

ROBERT D. KAPLAN

William B. Quandt replies:

I accept that Mr. Kaplan tried to interview Ambassador Glaspie, although there was no way of knowing this from his book. Still, I think he is too willing to accept the thesis that Glaspie bears much of the blame for our policy toward Iraq on the eve of the invasion of Kuwait. I would look more carefully at policymakers in the White House. Indeed, my major difference with Kaplan is that he sees the "Arabists" as very influential in the past 30 years, whereas I do not.

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Kaplan does indeed note a number of "successes" by Arabists, and I believe that he is trying to be evenhanded in his treatment of them. But by blaming Arabists for the Iraq fiasco, he so tilts the analysis that it loses its claim to balance. That remains my reading of the book.

WON'T-BE TURKS

To the Editor:

Mr. Altermuir Kiliç's letter to the editor ("Kurds are Turks Too," September/October 1993) implies that the Kurds and Turks have equal rights in Turkey. He seems to forget that the Kurdish nation of 15 million (one out of every five in the Turkish population) has no cultural, political or any other rights. Kurdish publications and broadcasting are banned. Kurdish parents cannot give Kurdish names to their children. Contrast this with the Scottish population of Great Britain. The Scots number about 5 million, as compared to the English, who number about 50 million, yet the Scots and English live in a democratic and unified country not called England, but Great Britain. The British flag is a composite of English, Scottish, Welsh and other flags. But in Turkey it is an offense to show the Kurdish flag.

If the Turks of Turkey want the Kurds to feel equal and be citizens, then they should change the name of Turkey to, let us say, Anatolia or Asia Minor or any other name that does not signify the nationalist basis of Turkey.

He states that if the Kurds are given autonomy now, they may want separation in the future. Indeed, why not? This is the twentieth century; every nation has the right of self-determination under the United Nations Charter. However, the Kurds will gladly live with the Turks in a federation that guarantees Kurdish national rights and well-being.

The time has come for the Turkish government to negotiate a peaceful settlement with the Kurdish leaders, not necessarily the Kurdish Workers' Party, but at least with Kurdish representatives in parliament. A continuation of the present armed conflict will be disastrous for both nations, Turkish and Kurdish, and will result in the unnecessary sacrifice of countless lives. For the benefit of both sides, the Turkish regime should continue what late President Özal started and bring the present unrest to a peaceful and decent end.

AHMED A. UTHMAN

Professor, State University of New York at Buffalo

PLUTONIUM IS FOREVER

To the Editor:

In "The Plutonium Genie" (Summer 1993), George Perkovich naively suggests that we can put a genie back in its bottle. We must deal maturely with this genie, not ignore it.

A total ban on the production of plutonium would be virtually impossible to implement since all existing commercial light-water reactors generate the element as a natural by-product. As Perkovich notes, plutonium produced in this way is not weapons-grade material; it is only about 60 percent plutonium-239. Nevertheless, it can be mixed with slightly enriched uranium to form a usable fuel. From a long-term resource-utilization perspective, this latter approach makes a great deal of sense.

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Hence Japan, France, Britain and others are pursuing the technology of mixed-oxide fuel.

Perhaps of even greater potential, however, is the conversion of already existing supplies of weapons-grade material into usable commercial form. The weapons inventories of the United States and the former Soviet Union together contain an estimated 1,600 metric tons of highly enriched uranium (HEU) and 200 tons of weapons-grade plutonium. Blending these materials for use in commercial reactors would yield about 50,000 metric tons of reactor fuel capable of producing the same energy as about $500 billion worth of oil. The resultant material could fuel over 40 large reactors for 40 years, providing about $1 trillion worth of electricity.

With the end of the Cold War, the case for cutting back nuclear weapons stockpiles and new nuclear weapons fuel has become quite compelling. The safe dismantling and disposal of nuclear weapons material would require many years. The U.S. government announced last summer that it would begin to purchase HEU from dismantled Russian nuclear warheads. This policy makes great sense. The opportunity to return billions of dollars to the U.S. treasury by reclaiming nuclear weapons material rather than spending billions to bury it in the ground is too good to ignore. Furthermore, we would be remiss not to purchase former Soviet Union weapons material before it falls into the hands of irresponsible governments or terrorist groups.

Why not put the genie into productive fuel rods instead of a useless bottle? Why not beat nuclear swords into electric plowshares?

GILBERT J. BROWN
Professor of Nuclear Engineering, University of Massachusetts, Lowell

THE ROLLBACK RECORD

To the Editor:

J. W. de Villiers, Roger Jardine and Mitchell Reiss ("Why South Africa Gave Up the Bomb," November/December 1993) state that "South Africa represents the world's first instance of nuclear rollback." But that distinction really belongs to Canada.

In 1963 Prime Minister Lester B. Pearson agreed to a nuclear capability under American custody with joint decision-making authority. But Prime Minister Pierre Elliot Trudeau ended Canada's nuclear role in Europe in 1971, and the last nuclear weapon left Canada in 1984. Trudeau announced to the United Nations that Canada was the first nuclear-armed country "to have chosen to divest itself of nuclear weapons."

RUSSELL ISINGER
Research Officer, University of Saskatchewan

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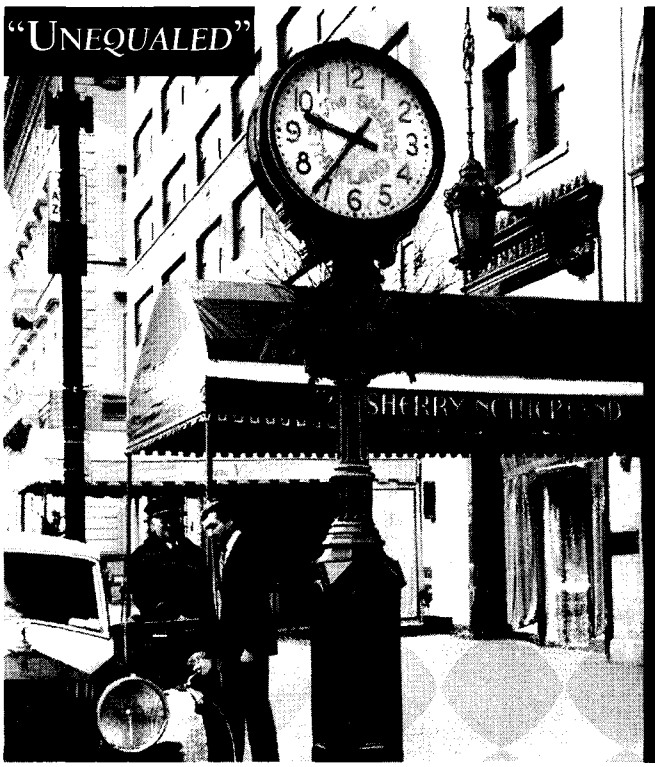

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